

# **USAID/MEXICO**

## **FY 2001 RESULTS REVIEW AND RESOURCE REQUEST**

**March 12, 1999**

- The attached results information is from the FY 2001 Results Review and Resource Request (R4) for Mexico and was assembled and analyzed by USAID/Mexico.
- The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from Ross Wherry, LAC/SAM.
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*Released on or after Oct. 1, 2001*

## Table of Contents

	<u>Page</u>
<b>I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE .....</b>	<b>1</b>
<b>II. RESULTS REVIEW BY STRATEGIC OBJECTIVE .....</b>	<b>7</b>
<b>A. Strategic Objective 1: Critical ecosystems and biological resources conserved .....</b>	<b>7</b>
Summary, Key Results .....	7
Performance Analysis .....	8
Prospects, Adjustments, Other Donor Programs, Major Contractors and Grantees .....	10
Performance Data Tables .....	11
<b>B. Strategic Objective 2: Carbon dioxide emissions and pollution reduced .....</b>	<b>14</b>
Summary, Key Results, Performance Analysis .....	14
Prospects, Adjustments, Other Donor Programs, Major Contractors and Grantees .....	16-17
Performance Data Tables .....	18
<b>C. Strategic Objective 3: More democratic processes adopted in key government institutions .....</b>	<b>20</b>
Summary, Key Results, Performance Analysis .....	20
Prospects, Adjustments, Other Donor Programs, Major Contractors and Grantees .....	22-23
Performance Data Tables .....	24
<b>D. Strategic Objective 4: Enhanced quality and sustainability of HIV/AIDS/STI services in targeted states .....</b>	<b>26</b>
Summary, Key Results .....	26
Performance Analysis and Prospects, Adjustments, Other Donor Programs .....	27
Major Contractors and Grantees .....	28
Performance Data Tables .....	29
<b>E. Strategic Objective 5: Sustainable increase in contraceptive prevalence .....</b>	<b>32</b>
Summary, Key Results .....	32
Performance Analysis .....	33
Prospects .....	34
Performance Data Tables .....	36

	<u>Page</u>
<b>F. Proposed Strategic Objective: Infectious Disease (Tuberculosis) . . . . .</b>	<b>.42</b>
<b>G. Special Objective 1: Development cooperation between Mexico and the United States, especially in Central America, increased . . . . .</b>	<b>.43</b>
Background, Program Description . . . . .	43
Resource Request . . . . .	44
<b>III. RESOURCE REQUEST . . . . .</b>	<b>.45</b>
Financial Tables . . . . .	49
Table 1: Budget Request	
Table 2: Operating Expenses	
Table 3: Workforce Tables	
Table 4: Workforce: USDH	
Table 5: Global Field Support	
Table 6: Trust Fund and FSN Separation Fund	
Supplemental Information Annexes	
A. Environmental Impact	
B. Updated Results Frameworks	
C. Global Climate Change	
D. USAID/Mexico Response to the USAID/Mexico FY 1999- FY 2003 Strategic Plan and FY 1997-2000 R4 Review Management Contract	
E. USAID/Mexico Response to March 1998 IG Audit	
F. Plans for Microenterprise-Economic Growth Strategy	

## ACRONYMS

<b>ADR</b>	Alternative Dispute Resolution
<b>AVSC</b>	AVSC International
<b>BSP</b>	Biodiversity Support Program
<b>CENAVID</b>	Center for Assistance to Victims of Crime (Centro para la Atención a Víctimas del Delito)
<b>CFE</b>	Electric Federal Commission (Comisión Federal de Electricidad)
<b>CFL</b>	Compact Fluorescent Lamp
<b>CMPL</b>	Mexican Center for Cleaner Production (Centro Mexicano para la Producción más Limpia)
<b>CONAE</b>	National Energy Saving Commission (Comisión Nacional para el Ahorro de Energía)
<b>CONAPO</b>	National Population Council (Consejo Nacional de Población)
<b>CONASIDA</b>	Mexico National AIDS Control Program
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CSM/SOMARC</b>	Contraceptive Social Marketing Project
<b>CSO</b>	Civil Society Organization
<b>DOE</b>	Department of Energy
<b>EE</b>	Energy Efficiency
<b>ESCOs</b>	Energy/Environment Service Companies
<b>ESF</b>	Economic Support Funds
<b>FEMAP</b>	Mexican Federation of Private Health and Community Development Associations (Federación Mexicana de Asociaciones Privadas de Salud y Desarrollo Comunitario)
<b>FIDE</b>	Electric Energy Savings Trust Fund (Fideicomiso de Ahorro de Energía Eléctrica)
<b>FIRCO</b>	Shared Risk Trust Fund (Fideicomiso de Riesgo Compartido)
<b>FJC</b>	US Federal Judicial Council
<b>FPLM/JSI</b>	Family Planning Logistics Management/John Snow, Inc.
<b>FPMD/MSH</b>	Family Planning Management Development/Management Sciences for Health
<b>GCC</b>	Global Climate Change
<b>GEF</b>	Global Environment Facility
<b>G/ENV/EET</b>	Global Center for Environment/Office of Energy, Environment, and Technology
<b>GOM</b>	Government of Mexico
<b>ICMA</b>	International City/County Managers Association
<b>IDB</b>	Inter-American Development Bank
<b>IMPI</b>	Mexican Patent Office
<b>IMSS</b>	Mexican Social Security Institute (Instituto Mexicano del Seguro Social)
<b>INC</b>	International Narcotics Control Foreign Assistance Funds
<b>INL</b>	State Department International Narcotics Liaison
<b>INOPAL/</b>	The Population Council Operations Research Projects
<b>FRONTIERS</b>	
<b>IPO</b>	Mexican Industrial Property Office
<b>IPPF</b>	International Planned Parenthood Federation
<b>IQC</b>	Indefinite Quantity Contract
<b>ISSSTE</b>	Government Workers' Institute for Security and Social Services (Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado)

<b>ITAM</b>	Mexican Autonomous Technological Institute (Instituto Autónomo de México).
<b>MEXFAM</b>	Mexican Family Planning Foundation (Fundación Mexicana para la Planeación Familiar)
<b>MCD</b>	Citizens' Movement for Democracy (Movimiento Ciudadano por la Democracia)
<b>MOU</b>	Memorandum of Understanding
<b>NCSC</b>	National Center for State Courts
<b>NGO</b>	Non-governmental organization
<b>PAN</b>	National Action Party (Partido Acción Nacional)
<b>PASA</b>	Participatory Agency Service Agreement
<b>PCS</b>	Population Communication Services, Johns Hopkins University
<b>PiP</b>	Parks in Peril
<b>PRD</b>	Democratic Revolutionary Party (Partido de la Revolución Democrática)
<b>PP</b>	Pollution Prevention
<b>PRI</b>	Institutional Revolutionary Party (Partido Revolucionario Institucional)
<b>PRIME</b>	Training project of INTRAH (International Training in Health)
<b>PRONASOL</b>	Proyecto Nacional de Solidaridad
<b>PSC</b>	Personal Services Contractor
<b>PV</b>	Photovoltaic
<b>PVO</b>	Private Voluntary Organization
<b>RE</b>	Renewable Energy
<b>RMS</b>	Resource Management Systems (Comprehensive approach including Energy Efficiency, Pollution Prevention, Waste Minimization, and environmental Management Systems.
<b>SE</b>	Secretariat of Energy (Secretaría de Energía)
<b>SSA</b>	Health Secretariat (Secretaría de Salubridad y Asistencia)
<b>STI</b>	Sexually Transmitted Infections
<b>SUNY</b>	Research Foundation of the State University of New York
<b>UNAM</b>	National Autonomous University of Mexico
<b>USDOE</b>	U. S. Department of Energy

## **PART I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

Mexico is the United States' most important bilateral relationship in the Hemisphere, involving all seven of the highest priorities listed in the U.S. worldwide foreign policy strategy. The US-Mexico special relationship is different from any other country where USAID works. Our sustainable development is linked to Mexico's sustainable development. The intertwined interests and needs of the two countries, and the fact that what happens in Mexico directly impacts U.S. citizens, resonate throughout USAID's programs, decisions and actions. Domestic policy merges into foreign policy in both countries, making USAID's sustainable development activities direct expressions of U.S. bilateral and regional foreign policy interests.

USAID's program provides the Country Team in Mexico with an array of options that otherwise would be unavailable to assist Mexican progress in sensitive, mutual interest areas, such as democracy, rule of law, environment, health and regional cooperation. Legally empowered to work internationally, USAID facilitates assistance through domestic agencies, e.g. EPA and the U.S. Forest Service. Our ability to work with and through an extraordinarily wide array of Mexican public and private sector entities, from the federal, state and municipal to the grass-roots level, makes us unique among the many USG agencies that support the U.S. Embassy's Mission Performance Plan. Both countries regard the USAID program as a positive manifestation of shared U.S. and Mexican interests, which helps to counter-balance more contentious bilateral issues.

**Economic Situation:** Mexico's economy grew at 4.8% last year (down from 7% the previous year). According to GOM statistics, employment is on the rise. On the surface, this is an impressive economic performance, just four years after one of the country's worst currency crises. However, growth at the macro-economic level does not translate into growth at the micro-economic level, where most Mexicans struggle to survive.

Inflation could hit 15% this year. Employees with active unions have negotiated salary increases, while the unsalaried majority will simply have to absorb the increase in the cost of living. Income disparity – already one of the worst ratios of rich to poor in the world – has become even worse since 1995. Measures of social well-being, e.g. real wages and purchasing power, continue to deteriorate.

Anyone who thinks the Mexican economy has recovered should look at the number of Mexicans entering the U.S. illegally every year, seeking economic opportunity. The number of illegal migrants nearly doubled in the past year alone – hardly a sign of a healthy economy at home. Mexico accounts for an estimated 80% of all illegal migration to the US. Rising undocumented migration, mingled with an estimated 30% increase in the flow of refugees from hurricane-damaged Central America, contribute to related problems of health, narcotics trafficking and crime, which pose serious national security issues for the US.

Important social safety net items, such as the tortilla and milk subsidies, have already been eliminated to cut costs. While oil prices have improved a little since early March, the national budget will be extremely tight, because of reduced oil revenues. (It is possible that some of USAID's programming may be affected by loss of counterpart contribution.) Thus, the public sector will be unable to provide any stimulus for future growth.

The private sector is not faring much better. The formal banking sector has been in difficulties since 1995, when a substantial portion of their portfolios became non-collectible. The GOM recently converted a significant portion of the banks' bad debt to public debt, and instituted a system of government-backed deposit insurance. But the foreign investment that sustained the banks fled during the crash, and has never returned to pre-1995 levels.

The Mexican Businessmen's Council estimate of \$7 billion in investments during 1999 may stimulate close to 21,000 jobs, but this is an insufficient investment to stimulate economic growth and enough jobs to cover the one million or so new, mostly unskilled entrants to the Mexican labor market. Without investment to drive growth, neither employment nor income generation can occur on a broad scale. This lack of capacity for broad-based economic growth jeopardizes the long-term sustainability of USAID programs. For example, the models for environmentally sound land management and agriculture which USAID has pilot-tested cannot be replicated on any meaningful scale without significant capital investment. As part of the solution, USAID/Mexico plans to propose a strategy for microenterprise-led economic growth, as the most direct way to reduce poverty and make our assistance sustainable.

**Democratic Transition:** The presidential elections coming up in 2000 are the focus of much attention, and there is a wide field of candidates from all parties. A recent consultant team study found that the public has confidence in the electoral institute (IFE) which oversees vote counting in national elections; and the system of election observers (which USAID helped develop) is well-established, needing no further outside help. The team did identify areas where USAID assistance could be helpful in assuring the long-term sustainability of free and fair elections: (1) strengthening state electoral commissions; and (2) providing training to civil society organizations (CSOs) to present electoral complaints effectively. The Country Team is interested in having USAID do one or both of these activities, to help meet MPP objectives in democracy, and keep a positive U.S. presence in the election process. If funding is made available, USAID/Mexico will revise its democracy strategy to incorporate these elections activities.

The Mexican Congress has become increasingly independent – at least in the lower Chamber where opposition deputies are in the majority. The urgent need of the Congress is to modernize and develop internal staff capacity in critical functions such as budget analysis and preparation of legislation. The various party foundations have requested USAID assistance, in order to offer institutional strengthening activities to their respective legislators. USAID will draw on the expertise of U.S. academic institutions and the U.S. Congress to provide this assistance.

The justice sector remains fragmented, with judges, prosecutors and police not yet comfortable working together. The judiciary is taking steps to modernize and upgrade the profession of jurist – especially at the federal level. But little has been done for jurists at the state and local levels, where most of the serious criminal and narcotics cases begin. It is here that strengthening is urgently needed to improve access to justice, and more effectively combat narcotics and major crime. USAID has received a number of requests from states wishing to be selected as the site for a proposed model state court program. This indicates strong demand for judicial improvement at the state level. USAID's original idea of facilitating contact among leading Mexican and U.S. judges has taken root in the form of judicial border conferences, funded by



STATE/INL, and which have been very well received. No donor has yet been granted access to the internal workings of Mexico's justice reform. However, we believe that the meetings between U.S. and Mexican jurists have contributed to the reform process by providing access to new ideas, and allowing participants to discuss complex issues in a setting of mutual respect. USAID is supporting a successful judicial training program through new specialty courses and Master's degrees to professionalize state and local judges. The future size and configuration of USAID/Mexico's justice sector activities depends on resolution of funding and management issues, now under discussion with STATE/INL.

Decentralization of authority and funds from the federal to the state and local levels is a reality. Many of the problems which were predicted have materialized, e.g. lack of preparation among municipal officials to administer new resources effectively. Citizens do not seem to have much difficulty learning to hold their public officials accountable. There have already been cases where opposition candidates who unseated local officials of the ruling party were themselves voted out of office when they failed to deliver better government. USAID/Mexico's pilot program in Jalisco to test ways of strengthening local government is already producing models for possible replication by other municipalities and states.

Human rights remains a sensitive issue between our two countries. Chiapas preoccupies many bilateral donors; and there are continued reports of violations of civil rights and crimes committed by Mexican police, in spite of widely publicized mass firings. The National Human Rights Commission (CNDH) is perceived as doing a good job with limited resources. At the state and local level, NGOs are the main watchdogs monitoring human rights. USAID has begun a low-profile effort to get better acquainted with Mexican human rights organizations. However, these organizations have, for the moment, rejected active cooperation with the USG.

There is growing recognition that corruption in all levels of public service hurts the citizens directly. Tolerance for corruption (if not its incidence) is diminishing. A public debate of sorts has sprung up in the media, where corrupt officials are identified and criticized. NGOs like the Citizens' Movement for Democracy, which is supported by USAID, have begun to monitor public individuals and bodies, e.g. the national congress and local officials, to keep government honest.

**Environment and Global Climate Change:** When STATE Department's Under Secretary for Global Affairs visited Mexico in March 1999, he recognized Mexico's regional and global leadership in efforts to combat Global Climate Change (GCC). As a result of several factors and events (e.g. the disastrous wildfires of spring 1998 and high levels of out-migration from environmentally degraded areas), the GOM realized that GCC poses a very direct threat to national security and the well-being of Mexican citizens. The GOM has just issued a national GCC Plan, which we are waiting to receive. It was a long time in process, because of the complexity of the issues, e.g. how to strike a balance between conserving biodiversity and natural resources, and Mexico's urgent need to stimulate economic growth. The existing system makes it hard to tackle some GCC issues; a case in point being the GOM's highly subsidized rates for electric power which result in inefficient, polluting energy generation. At "ground-zero" where USAID works, the issue is even more pressing. Here, a growing population is rapidly destroying Mexico's natural resource base, in an effort to survive. The alternatives for land

management, which we have helped demonstrate, are already being picked up for replication by the World Bank and other donors. And the Mexican Conservation Fund is making more than 70 grants per year for natural resources protection projects by Mexican NGOs. But Mexico's needs are great. We are in a race against time, to get enough land under protected management, and sustainable agriculture and forestry, without causing economic hardship or social dislocation. This is an area of particular focus for USAID/Mexico's proposed microenterprise strategy, in order to give people viable income alternatives to destruction of their land, and hasten broad replication.

USAID-sponsored pilot tests have proven our case for energy-efficient and clean production technologies. We are seeing replication in some industries, and by other donors. But it will be an uphill struggle to replicate these technologies on the significant scale that is needed, in order to meet our Strategic Objective to reduce carbon dioxide emissions and pollution. We must find not only substantial and self-sustaining sources of capital, but also identify persuasive incentives, to get the public and private sectors to incur the expenses of replication. Such incentives may be on the way in the form of proposed privatization of the electric power sector. Assuming that public debate resolves issues, such as fair treatment of electrical workers, privatization could go through in another year or two. The need to make a profit delivering power in a competitive environment may be the impetus needed to move the power and manufacturing sectors to efficient or renewable technologies. It would also give the GOM a basis for issuing new policies and regulations facilitating the conversion to these new technologies.

**Family Planning:** Before USAID assistance, which began in 1974, fertility and population growth rates in Mexico were high and showed little change through time, with total growth rates of 3.22% in 1960 and 2.94% in 1974, and fertility rates of seven children per woman in 1960 and six per woman in 1974. By contrast, over the period of USAID assistance to public and private (NGO) programs, total population growth in Mexico declined to an estimated 1.57% in 1998, and the total fertility rate was decreased to an estimated 2.55 children per woman in that same year.

USAID/Mexico's family planning program is closing on March 31, 1999, leaving in place an effective public and private system of service delivery, which includes assured quality of care and informed consent. (This will be the last R4 in which family planning activities are reported.) Although the GOM has taken impressive steps to secure Mexican government funding for, and institutionalize, activities previously financed by USAID, there are some concerns. One of the objectives established in Mexico's Health Sector Reform Program 1995-2000 is to provide basic health services (including family planning) to the 10 million poor people residing in rural and urban areas who have no access to services. Seven million nine hundred thousand people are now covered. The GOM has until the year 2000 to incorporate another 2 million people, but insufficient resources to do so. The GOM is facing additional economic challenges. Funds for social programs in Mexico, traditionally spared, will be cut in 1999 primarily due to the budget shortfall from low crude oil prices; a devalued peso and inflation mean increasing costs of contraceptive supplies, and the greater burden on the health care institutions: the number of women in union of reproductive age will increase from 3.9 million in 1990 to 6.0 million in 1999. It is not clear whether Mexico will be able to maintain its significant progress in family planning, given these pressures.

**HIV/AIDS:** Mexico's Secretary of Health calls HIV/AIDS the most complex public health problem facing the country. Mexico has the third largest HIV/AIDS epidemic in the Americas after the U.S. and Brazil. The estimated number of cumulative cases is almost 60,000. The GOM estimates the total number of people infected with HIV between 116,000 to 174,000.

Two distinct patterns of HIV/AIDS transmission have emerged in Mexico. The first is an urban pattern, observed primarily in the large cities and along the northern border with the U.S. This pattern of transmission affects a larger percentage of men. The second pattern is characterized by its rural focus, higher proportion of females infected, and heterosexual transmission. Poverty, unemployment, lack of adequate health services in marginalized areas, and rising numbers of sexually transmitted infections (STIs) fuel the rural epidemic. A combination of factors relating to commerce, poverty, and migration make Mexico's southern border a focal point for the dissemination of HIV throughout the Americas. Increased migration from Central America can only worsen the situation.

Mexico is currently reforming its health system, and transferring authority to the states for health policy and budget allocation. This presents a unique opportunity to move away from the national-level treatment model, which costs the GOM \$40 million per year. USAID's program is designed to help the states assess their HIV/AIDS and STI situation; identify the most vulnerable populations; and design financially sustainable approaches aimed at prevention and mitigation. Decentralization presents special opportunities for civil society, as well. As more decisions are made at the state level, civil society groups – NGOs, people living with AIDS, and women's health advocates – are in much closer proximity to decisionmakers, and can more effectively influence the policy process.

**Infectious Diseases:** The problem of infectious diseases has worsened in recent years. Congress appropriated \$50 million in FY 1998 and FY 1999 to combat infectious diseases worldwide (through anti-microbial resistance, tuberculosis control, malaria and other diseases, and surveillance and response).

Tuberculosis is a major health problem in Mexico, especially in rural areas and among the indigenous population. Its spread is linked to poverty, migration and the upsurge of HIV/AIDS. According to data from PAHO and the U.S. Centers for Disease Control, at 22.2 cases/100,000 population, the TB incidence rate in Mexico is three times the U.S. rate. In 1996, Mexico had 20,722 reported cases of TB. An additional 1,685 Mexicans infected with TB reside in the US. Among all people infected with TB in the US, Mexicans account for only 8%. However, the four U.S. border states together account for 77% (51% in California, 21% in Texas, 4% in Arizona and 1% in New Mexico).

The influx of Mexicans infected with TB places special burdens on U.S. border states, particularly California and Texas. In both these states, TB incidence rates are well above the U.S. average. Reduction of cross-border transmission would contribute to TB control efforts in these states. Many of the TB cases in the U.S. come from the southern states of Mexico where poverty and out-migration are greater than in the north. The large number of TB cases places considerable burdens on Mexico's health system. Of particular concern is the rapidly increasing

number of drug-resistant TB cases observed by health authorities in both Mexico and the US. The LAC Bureau has made \$1 million available in FY 1999 funds to develop and implement a new Infectious Diseases (Tuberculosis) strategy for Mexico. A technical team will prepare recommendations in concert with interested Mexican and U.S. health institutions and NGOs, leading to a new strategy.

**Disaster Assistance:** USAID/Mexico is working with the Office of Foreign Disaster Assistance to develop a system for disaster response through the Mexican government, state disaster institutions, and/or NGOs. The disaster system in Mexico is diverse and fragmented. Additional funds and staff resources may be needed, to create a new and effective framework on which the USG can rely.

**US-Mexico Cooperation in Central America:** We are working with the GOM's Secretariat of Foreign Relations (SRE) to devise a program, and mechanisms for cooperation under the bilateral MOU signed during President Clinton's February 14, 1999 visit to Mérida. The first activity will be joint cooperation on regional disaster preparedness and relief coordination. Mexico will sponsor a Hemispheric conference in late April 1999, in preparation for a June meeting of Central American donors in Stockholm. Other joint collaborative activities are planned. Mexico is sponsoring a conference in May on possible cooperation with Central America in HIV/AIDS. Democracy partners are also providing technical assistance to Central American countries in legal education, mediation, and political candidate training. The Mission will monitor to determine whether we can absorb the implementation demands of this new, regional Special Objective (SpO).

**Management for Results:** Just eight months since Mexico's new five-year Country Strategy was approved, the Mission can report significant achievements. The success of our Strategy is seen in a high level of performance indicators met or exceeded, and an accelerating rate of acceptance and replication of the models and technologies that we have helped our partners test. USAID/Mexico's ability to deliver such high-impact results relative to its small staff and budget is due to: (1) a full and mutually respectful partnership with Mexican public and private implementing entities; and (2) virtual team support from the LAC and Global (G) Bureaus, and our regional support contract and controller officers in El Salvador.

USAID/Mexico re-engineered in October 1998, decentralizing decision-making and results accountability to new Strategic Objective Teams which are comprised mostly of extended and virtual members outside the Mission. We are recruiting new PSC managers in Infectious Diseases (Tuberculosis), GCC, and Rule of Law, which will enable us to meet mandates for new and expanded programs. We believe we are on the cutting edge of how small Missions deal with complex development problems in politically sensitive areas, working through a broad range of partners in the GOM, other USG agencies, NGOs, grantees, and contractors. But our small Mission management vulnerability is increasing at the same time. We will need greater levels of OE funding beyond the \$550,000 per year (straightlined per LAC's instructions); as well as more LAC, Global and USAID/El Salvador support, and increased staff training, in order to comply with statutory accountability requirements in finance, contracting and program management, as well as the Agency's administrative standards.

## **PART II: RESULTS REVIEW BY STRATEGIC OBJECTIVE**

### **A. Strategic Objective 1: Critical ecosystems and biological resources conserved**

**Summary:** Mexico is the fourth most biologically diverse country in the world. One-third of Mexico's vertebrates and nearly half of its plants are endemic, so if they are not conserved in Mexico, they will be lost globally. Beyond their inherent environmental and scientific values, these biological resources are primary materials of major industries in Mexico, in the U.S. and worldwide, including for pharmaceuticals, fisheries, agriculture, cosmetics, and biotechnology. Mexico is losing its forests and biological resources at a rapid rate, and in the process has been contributing to global warming. Mexico is one of USAID's six key Climate Change Countries, and currently ranks third among all developing countries for greenhouse gas emissions. Mexico's forests and ecosystems conserve large amounts of carbon and biological resources, which is of tremendous value to both countries. USAID/Mexico's environment program has been in operation for more than eight years, and has made great strides through its Mexican partners in conserving and promoting the sustainable management of the forests and other biological resources of Mexico.

In September 1998 the USAID/Mexico Country Strategy was approved establishing a Global Climate Change (GCC) related environmental program consisting of two strategic objectives: SO1 – “Critical Ecosystems and Biological Resources Conserved”, and SO2 – “Carbon Dioxide Emissions and Pollution Reduced”. SO1 supports activities that demonstrate improved management of critical ecosystems and sustainable use of biological resources, and complements these demonstration activities with policy reform and institutional strengthening which will promote sustainable practices beyond USAID/Mexico interventions. Evolving from the Mission's previous environment results framework, SO1 encompasses all of the “green” elements of the USAID/Mexico environment portfolio, maintains the same primary activities, and continues to focus on the critical policy and institutional strengthening actions needed for accomplishment of SO1 results. The principal biodiversity conservation challenges that the Program faces are represented in our SO1 intermediate results: 1) Improved Management of Target Protected Areas and Other Critical Ecosystems; 2) Demonstration and Implementation of Sustainable Use Activities in Biologically Important Areas; 3) Improved Policy Framework for Conservation and Sustainable Use of Biological Resources; and 4) Improved Mexican NGO and Professional Capacity for Conservation and Sustainable Use of Natural Resources. Supporting the Mexico Nature Conservation Fund (FMCN) to become fully operational and fulfill its environmental mandate continues to be a sub-intermediate result of IR No.4. The primary underlying goal of mitigation of climate change is shared by both SO1 and SO2.

The SO's ultimate customers include: (1) local rural inhabitants who depend on the sustainable use of natural resources in/around target areas; (2) urban inhabitants of cities that depend on environmental services from areas protected by USAID/supported activities; and (3) U.S. citizens who gain from the protection of wildlife, genetic resources, and the mitigation of climate change resulting from USAID investments.

**Key Results:** Catastrophic forest fires in Mexico during the 1997-1998 fire season led to the emission of huge smoke plumes that affected air quality and human health, both in Mexico and

in the United States. As a result, at the Bi-National Commission (BNC) Meetings held in Washington, D.C. June 10-11, 1998 both countries signed a bilateral Memorandum of Understanding on "Cooperation for the Conservation of Biodiversity Particularly in Forest Resources." To carry out this high-level agreement, on September 30, 1998 USAID signed a Cooperative Agreement with the Mexico Nature Conservation Fund establishing a \$7.5 million dollar program to support the National Wildfire Prevention and Restoration Program. This initiated a new mode of direct cooperation with the GOM, never before part of our environment portfolio. The Mexico Fires Program is an "add-on" to the USAID/Mexico environment program with a three-year funding and five-year implementation horizon. Specific objectives and results were established under the Cooperative Agreement. No separate results framework and indicators were established. Progress will be reported in future R4 narratives. USAID has also been placed in a role of coordination and cooperation with other U.S. and Mexican organizations (DOI, USFS, OFDA, CONABIO, the Mexican Secretariat of Agriculture, etc.) creating an opportunity for important cross-program synergies and linkages.

**Performance Analysis:** Eleven indicators have been established for SO1 and its four intermediate results. Of these, two are under development (Nos.2 and 3) and are to be reported on for FY 2000. Four have established targets and baselines (Nos. 6,7,8,and 9) and will be reported on later in FY 1999. The five established SO indicators --focusing on target areas with adequate management (No.1), sites meeting pre-determined management goals (No.4), number of men/women practicing sustainable activities (No.5), FMCN capitalization (No.10), and FMCN grants disbursed yearly (No.11)-- all point to highly successful SO1 implementation. Overall, SO1 activities are meeting or exceeding expectation. Of the four indicators measured, two met and two exceeded targets. SO1 has important accomplishments to report during 1998. These are included in the sections describing each IR.

Overall, progress in the initiation of the Mexico Fires Program is satisfactory. Some delays occurred, due to end of fiscal year workloads and the recent Presidential visit. Training activities have progressed well. The integration of significant agriculture sector (SAGAR) resources and efforts with the environment secretariat (SEMARNAP) to prevent wildfires in 1999 is an extremely encouraging development, not expected this early in implementation. Planning is progressing well for a high-level technical forum March 29-31, 1999 to refine Mexico's fire prevention and management strategy. This forum is expected to set the stage for an international conference sponsored by Mexico sometime in 2000. Global Bureau's funding and USFS technical assistance is making these meetings possible. In addition, Global's advice and collaboration is key to the process.

#### *I.R. 1.1 - Improved Management of Target Protected Areas and Other Critical Ecosystems*

The four major activities under this IR, (The Nature Conservancy's (TNC) Parks-in-Peril Program, the University of Rhode Island (URI)/Coastal Resources Center's Coastal Resources Management Project, the Conservation International (CI) Debt-for-Nature Swap Program, and the Biodiversity Support Program (BSP) - TNC effort to strengthen PRONATURA) are all meeting or exceeding expectations. The Mexico Parks-in-Peril Program is serving as a model and is recognized as one of the most successful conservation programs in Latin America. Many of the lessons learned from the PiP/Mexico in areas such as sustainable finance, policy and

balancing themes are being applied throughout Latin America. Some refinements in activity indicators/results framework are still under development with CI and URI.

#### *I.R. 1.2 - Demonstration and Implementation of Sustainable Use Activities in Biologically Important Areas*

C.I. is successfully supporting sustainable fisheries management in the Gulf of California, including the development and adoption of turtle-and by-catch excluder devices. The URI and its partners are developing best-management practices for fishing and ecotourism along the coast of Quintana Roo. This work links with Central American efforts and contributes to the conservation of the Meso-American Reef, the second largest barrier reef in the world. The need to provide economic alternatives to destructive practices is common throughout Mexico, and to address this the Mission continues to pursue DCA and microenterprise financing.

#### *I.R. 1.3 – Improved Policy Framework for Conservation and Sustainable Use of Biological Resources*

The TNC/PiP methodology is being used to guide the development of the annual policy plans of the other IR partners (CI, URI). Fully developed policy plans will be available from all partners by the end of calendar year 1999. As the final step in the closeout of the BSP/World Wildlife Fund Ecodevelopment Program, WWF is finalizing an assessment of conservation impact. This important study will not only provide critical cost-benefit information on the alternative and sustainable agricultural practices developed, but it will also provide key insights into the socio-cultural and economic issues relating to slash-and-burn agricultural practices. This information will assist in the reform of agricultural and forestry policy, and be used in the design of the Mexico Fires Prevention and Recovery Program.

#### *I.R. 1.4 – Improved Mexican NGO and Professional Capacity for Conservation and Sustainable Use of Natural Resources*

All partners are performing according to plans. The URI coastal resources project is working with the University of Quintana Roo to develop a curriculum and increased staff capability for coastal resources management. USAID/Mexico's Global Training for Development training program is phasing out and training plans are undergoing changes.

##### *Sub-I.R. – 1.4.1 Mexican Nature Conservation Fund Fully Operational and Fulfilling its Environmental Mandate*

The FMCN is exceeding Mission expectations for both the capitalization and grants-giving indicators. A recent GEF evaluation of trust funds highlighted the FMCN as the world's model fund. Mexico's experience has been so successful that the GOM and the USG have decided to administer a major portion of the new \$32 million Mexico Fires Program through the FMCN. With the initiation of the Mexico Fires Program, cross-sector collaboration is developing between biodiversity conservation and fire prevention, and important synergies and program linkages are occurring. The GOM recently communicated its allocation of US\$2 million plus

interest payments on the unpaid balance to the FMCN, to be paid by September 1999. This exceeds the GOM capitalization commitment to the program, complying ahead of schedule.

**Prospects:** Future SO1 performance is expected to be lower than in the 1997-1998 period because 1998 natural disasters (forest fires followed by floods), especially Chiapas and Oaxaca, seriously damaged several of the program's target areas. Most impacted were the Chimalapas, La Encrucijada, El Ocote, El Triunfo, and La Sepultura reserves. For example, an estimated 40% of the Chimalapas reserve was destroyed -- some of which was montane evergreen and cloud forests that had never before burned. Recovery will take time and some additional investment. Reporting under Indicators 2, "Average change in annual rate of deforestation in target areas", and 3, "Index of degradation rates in non-forest ecosystems", scheduled to take place in FY 2000, will quantify of these impacts. Preliminary assessments on the impacts of these natural disasters will be available from primary partner organizations (TNC, CI, and URI) later in calendar year 1999.

**Adjustments:** No major adjustments, beyond additional effort and resources for the recovery of burned areas, are contemplated this year.

**Other Donor Programs:** Multinational development banks (MDBs) are important indirect partners who provide counterpart or follow-on funding for expansion of USAID-supported pilot interventions. Over the life of the SO (through 2006) we expect that over \$100 million in MDB funds will have been contributed toward USAID/Mexico's targeted results. This includes \$16.5 million from the Global Environmental Facility to increase FMCN's total endowment; and an estimated \$20 million from the World Bank to support SEMARNAP and protected areas management.

**Major Contractors and Grantees:** Primary partner organizations include TNC and Parks-in-Peril sub grantees, The University of Rhode Island's Coastal Resource Center and sub-grantees; Conservation International, PRONTURA, CONABIO, and the FMCN. Collaboration with the GOM/SEMARNAP under the Mexico Fires Program is a new element in the customer focus of the program.



## Performance Data Tables

<b>STRATEGIC OBJECTIVE 1:</b> Critical ecosystems and biological resources conserved <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>INDICATOR 1:</b> Number and area of critical ecosystems, in target areas, with adequate management			
<b>UNIT OF MEASURE:</b> Number of sites/area of sites in hectares	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> CI,TNC,URI	Baseline 1991		0
<b>COMMENTS:</b> This indicator captures the ability of Mexican professionals to manage or govern critical ecosystems. The indicator is based on scorecards that have been developed (or are being developed) by our primary partners (see Annex 1 Parks and Peril Consolidation Scorecard, Coastal Zone Management Scorecard). "Adequate Management" will be defined based on the scorecard. Sites will be counted as achieving adequate management when their long-term goals are met. USAID may support sites for an additional year or two, at reduced funding levels, after they have reached their "adequate management" goals to secure resources to maintain long term management capacity. Sites which met this indicator by 1997 were El Triunfo, Rio Lagartos/ Celestún, La Encrucijada, El Ocote, and Sian Ka'an; for 1998, Calakmul. Future target sites are as follows; 2001: Xcalak; 2002: Gulf of California Island Reserves and Montes Azules; 2003 Sierra Madre and Cuatro Cienegas. This indicator is cumulative.  FY 1998 figures are based on PiP sites. Calakmul accomplished "adequate management" for 1998. 1.75 million hectares were being managed at the 6 sites.	1997		5 sites
	1998	6 sites/1.2 million hectares	6 sites/1.75 million hectares
	1999	6 sites	
	2000	6 sites	
	2001	7 sites	
	2002	9 sites	
	2003	11 sites	

<b>STRATEGIC OBJECTIVE 1:</b> Critical ecosystems and biological resources conserved <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>RESULT NAME 1.1:</b> Management of Target Protected Areas and Other Critical Ecosystems Improved			
<b>INDICATOR 4:</b> Number of Sites meeting pre-determined management goals			
<b>UNIT OF MEASURE:</b> Number of sites	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> CI,TNC,URI	Baseline 1991		0
<b>COMMENTS:</b> This indicator is based on scorecards which measure annual progress. Targets are set and reported each year in annual workplans. This indicator is not cumulative. Targets and results are a function of the number of sites where we are working in a given year. Actual performance is based on PiP sites. Seven sites achieved “acceptable management.” One (Sian Ka’an Biosphere Reserve – ASBR) accomplished 87% of its goals. ASBR was classified as “not met”. URI and CI sites will begin reporting on Indicator 4 in 1999.	1998	4	7
	1999	5	
	2000	6	
	2001	6	
	2002	5	
	2003	3	

<b>STRATEGIC OBJECTIVE 1:</b> Critical ecosystems and biological resources conserved <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>RESULT NAME 1.2:</b> Demonstration and Implementation of Sustainable Use Activities in Biologically Important Areas			
<b>INDICATOR 5:</b> Number of men and women in target areas practicing sustainable activities promoted by USAID (not cumulative)			
<b>UNIT OF MEASURE:</b> number (gender disaggregated)	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> CI,TNC,URI	1991 Baseline		0
<b>COMMENTS:</b> Sustainable activities include ecotourism, agroforestry, organic agriculture, beekeeping, harvesting non-timber forest products and sustainable fisheries. This indicator is not cumulative.  Results were based on URI and TNC performance.	1998	200 men, 60 women	3,022 men, 689 women
	1999	100 men, 40 women	
	2000	100 men, 50 women	
	2001	115 men, 60 women	
	2002	120 men, 80 women	
	2003	60 men, 30 women	

<b>STRATEGIC OBJECTIVE 1:</b> Critical ecosystems and biological resources conserved			
<b>APPROVED:</b>		<b>COUNTRY/ORGANIZATION:</b> USAID/Mexico	
<b>SUB-RESULT NAME 1.4.1:</b> Mexican Nature Conservation Fund fully operational and fulfilling its environmental mandate			
<b>INDICATOR 10:</b> Total dollar level of Mexican and other donor capitalization of the fund.			
<b>UNIT OF MEASURE:</b> Dollars	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> FMCN	1992 Baseline		0
<b>COMMENTS:</b> The 1997 capitalization was \$43 million which includes: \$ 1.0 million from the GOM (1993), \$ 0.5 million from USAID (1994), \$19.5 million from USAID (1996), \$2.0 million from the GOM (1996) \$1.09 million interest income (1996) \$16.48 million from the World Bank/GEF (1997) \$2.49 million from GOM (1997) and, In calendar year 1998, the FMCN received the following GOM contributions: \$1,281,868, and \$764, 779.  Targets for 1999 include anticipated donations of \$3 million from the GOM.	1997	\$30 million	\$43 million
	1998	\$45.2 million	\$45.05 million
	1999	\$48 million	
	2000	\$48 million	
	2001	\$60 million	
	2002	\$79 million	
	2003	\$80 million	

## **B. Strategic Objective 2: Carbon dioxide emissions and pollution reduced**

**Summary:** SO2 supports reduced global climate change by demonstrating the cost-effectiveness of improved energy efficiency, pollution prevention and renewable energy technologies that benefit cross-border and trade development. Also, USAID/Mexico supports activities with local partners proposing policy reforms, providing technical assistance for institutional strengthening, and assisting in identifying financing for future sustainability. In FY 1998, the USAID/Mexico Country Strategy was modified to include an additional intermediate result that will lead to achievement of the SO: “the adoption of resource management systems (RMS) and renewable energy technologies and practices in targeted industries and municipalities.” Under this intermediate result, five sub-intermediate results have been re-defined: 1) viability of RMS technologies demonstrated at the pilot level; 2) viability of renewable energy technologies demonstrated at the pilot level; 3) selected policies in place that promote the use of RMS and renewable energy technologies; 4) improved Mexican institutional capacity for RMS and renewable energy development; and 5) financing available for adoption of RMS and renewable energy technologies from private sector, the GOM and other donors (independent of USAID assistance). Ultimate customers are industrial firms and rural communities, receiving direct support from key energy partners, such as the: Secretariat of Energy, National Energy Savings Commission (CONAE), Energy Savings Trust Fund (FIDE), Mexican Center for Cleaner Production (CMPL) and Shared Risk Trust Fund (FIRCO).

**Key Results:** In FY 1998, performance under SO2 indicator #1 achieved 2.4 times the planned levels. Planned levels for FY 1998: 158.96 thousand metric tons of CO<sub>2</sub> emissions were avoided, and actual levels achieved approximately 376.55 thousand metric tons of CO<sub>2</sub>. This was due to the high level of implementation of energy efficiency technologies recommended through USAID-sponsored energy audits, by the firms participating in the Steam and Combustion Efficiency Pilot Project. Future adoption and replication will depend in part on the financial condition of the Mexican export industry. Increased manufacturing exports is a key factor for achieving greater net incomes for firms investing in state-of-the-art energy efficiency technologies.

In addition, partners and contractors have reported 95 % adoption of RMS technologies recommended to firms that participated in the projects during FY 1997, and reported results in FY 1998. The high efficiency motors project, the motor rewinding program, the electroplating and foundry sectors audits were finalized in FY 1997, but evaluated during FY 1998. Ninety-five percent of renewable energy projects installed in FY 1997 were still functioning in FY 1998.

**Performance Analysis:** Among the eight indicators under SO2, the intermediate result and the five sub-intermediate results, six have established baselines and targets (Nos. 1, 2, 3, 4, 5, and 6). However, there are still two under development with local partners (Nos. 7 and 8), which will be reported in FY 2000. All six established SO indicators met or exceeded expectations, as follows: Indicator No. 1, CO<sub>2</sub> emissions prevented (exceeded target); indicator No. 2, estimated percent of pollution reduced in target industries (target met); indicator No. 3, percent and number of enterprises or municipalities continuing to use RMS technologies and renewable energy without USAID financial support, one year after installation (exceeded target); indicators No. 4 and 6, kilowatt-hours averted or produced by the use of energy efficiency and renewable energy

technologies (exceeded target), and indicator No. 5, economic benefit estimated from installation of RMS technologies (exceeded target).

Although there are still some benchmarks and categories that should be addressed and negotiated with our local partners for indicators No. 7 and 8, regarding the percent of annual policy goals achieved and the number of Mexican institutions with adequate capacity in RMS and renewable energy technologies, respectively, USAID/Mexico believes that significant progress has been made in institutionalizing RMS and renewable energy activities in Mexico.

The majority of the indicators proposed have exceeded the expectations due to several factors: 1) the conservative estimates for planned levels in some of these indicators; 2) the experience and lessons learned from previous activities; and 3) positive macroeconomic indicators which influenced Mexican industry and rural development programs.

*I.R. 2.1 - Adoption of Resource Management Systems (RMS) and Renewable Energy Technologies and Practices in Targeted Industries and Municipalities (Replication and Continued Use of the Technologies and Practices Promoted by USAID and its Partners).*

The five sub-intermediate results sought under this I.R. have exceeded or met expectations in carbon dioxide emissions, pollution reduction, and adoption of renewable energy technologies. The most relevant one is the sub-IR 2.1.1 .

*Sub-I.R.2.1.1- Viability of Resource Management Systems (RMS) technologies demonstrated at the pilot level.*

The first phase of this program, initiated in 1993, focused on testing and demonstration of economically viable RMS technologies in selected industries. This phase was completed successfully through demonstration projects focused on specific management measures and technologies (i.e., steam efficiency, motor rewinds, and high efficiency motors), and in the electroplating, foundry and chemical sectors. The most relevant activity during FY 1998 was the support to CONAE for implementing the Steam and Combustion Efficiency Pilot Project in 37 factories in several productive sectors, with almost 578 GWh of non-renewable energy production avoided, and 376,550 metric tons of CO<sub>2</sub> emissions averted.

*Sub-I.R.2.1.2- Viability of Renewable Energy Technologies Demonstrated at the Pilot Level.*

The renewable energy program worked through agricultural development and conservation organizations to install approximately 200 renewable energy projects in 10 Mexican states. These projects are producing approximately 100 kW of electric power using renewable energy methods. (This is expected to grow to 250 kW by end-FY 1999). The program works with more than 40 U.S. and Mexican manufacturers and suppliers of renewable energy technologies. To date, there are an estimated 50,000 direct and indirect beneficiaries of these renewable energy systems. A potential export market of over U.S. \$1 billion has been identified for renewable energy technologies.

*Sub-I.R.2.1.3- Selected Policies in Place that Promote the use of RMS and Renewable Energy Technologies*

This sub-IR is reporting significant results. The RMS contractor provided technical assistance to FIDE to design a strategy of commercialization for high efficiency equipment promoted under the CFE-FIDE national incentives program. The same contractor helped CMPL assess barriers, and carry out public reviews with interested parties, including the Mexican Congress, to promote and disseminate cleaner production concepts and review the legal and policy framework for pollution prevention. The Renewable Energy program contractor assisted CONAE and FIRCO, two key partners, in jointly developing initiatives and policies for wider-scale adoption of renewable energy technologies.

*Sub-I.R.2.1.4- Improved Mexican institutional capacity for RMS and renewable energy technologies.*

Mexican partners are being strengthened. FIRCO is replicating Sandia National Laboratories training courses throughout the country.

*Sub-I.R.2.1.5- Financing available for adoption of RMS and Renewable Technologies from the Private Sector, the GOM and other Donors (Independent of USAID Assistance)*

High-level collaboration was established between the Secretariat of Energy, CONAE and FIRCO to design a large-scale renewable energy project connected to the national power grid. In a second phase, the World Bank and GEF will fund the replication of FIRCO's renewable energy program.

**Prospects:** If it takes place, privatization of the electric sector will stimulate changes in the GOM's regulatory framework for both RMS and renewable energy technologies that reduce CO<sub>2</sub> emissions. For the last ten years, both the GOM and the Ministry of Energy have demonstrated a high level of commitment and support for these activities and developed several successful programs. But an essential factor in multiplying replication of our technologies must be provision of policy incentives to use energy more efficiently. Another key to broad-based replication is availability of significant amounts of capital or credit to fund investment in new technologies. USAID/Mexico will focus on this issue in the coming year.

**Adjustments:** No program adjustments were made. But the Mission will need to consider what future program adjustments will be needed if in the Results Framework for this SO, electric sector privatization occurs. Because of national budget cuts, combined with subsidized energy rates, CFE essentially has no funds to invest in new capacity (power plants, grids). This is a serious issue for Mexico whose growth depends on increased electric power capacity. The Mission will orient its policy discussion with CFE and others in this direction, with a view toward promoting energy efficiency and renewables as possible solutions.

**Other Donor Programs:** Mexico's public power utility, the Federal Electricity Commission, provided \$23 million in funding to the national Trust Fund for Electrical Savings (FIDE). The Inter-American Development Bank (IDB) has authorized a \$23 million loan for promotion of energy efficiency in the power sector. The United Nations' Industrial Development Office

(UNIDO) and the Mexican National Polytechnic Institute supported the creation of a Center for Cleaner Production, which implements pollution prevention projects in conjunction with the USAID program. The World Bank is preparing a \$440 million agricultural productivity improvement project that could provide up to \$40 million for agricultural projects that use renewable energy applications.

**Major Contractors and Grantees:** Hagler Bailly; U.S. Department of Energy's Sandia National Laboratories; the Mexican National Energy Savings Commission (CONAE); the Mexican Electrical Energy Savings Trust Fund (FIDE); the Mexican Center for Cleaner Production (CMPL); and the Mexican Shared Risk Trust Fund.

## Performance Data Tables

<b>STRATEGIC OBJECTIVE 2:</b> Carbon Dioxide Emissions and Pollution Reduced <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>INDICATOR 1:</b> Amount of carbon dioxide emissions prevented through selected energy efficiency measures and adoption of renewable energy technologies			
<b>UNIT OF MEASURE:</b> Thousands of Metric Tons of CO <sub>2</sub> emissions offset annually over the life of energy efficiency measure and the renewable energy project installed	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	Baseline 1993		0
<b>SOURCE:</b> G/ENV/EET Energy IQC and PASA USAID/DOE contractors  <b>INDICATOR DESCRIPTION:</b> CO <sub>2</sub> emission benefits are calculated from the number of kilowatt-hours avoided through USAID funded energy efficiency and renewable energy investments. CO <sub>2</sub> emissions results are credited to the year following installation of energy saving equipment and renewable energy systems, if the equipment or systems are operating successfully up to one year after installation. USAID/Mexico reports both annual increments and cumulative emissions avoided.	1994-1997		440.00
	1998	158.96 (annual target)	376.55
	1999	68.10	
	2000	82.30	
	2001	82.30	
	2002	81.60	
	2003	80.90	



<b>INTERMEDIATE RESULT 2.1:</b> Adoption of Resource Management Systems (RMS) and Renewable Energy technologies and practices in targeted industries and municipalities (replication and continued use of the technologies and practices promoted by USAID and its partners). <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>INDICATOR 3:</b> Percent/Number of enterprises or municipalities continuing to use RMS technologies and renewable energy systems without USAID financial support one year after installation			
<b>UNIT OF MEASURE:</b> Percent/Number of participating individuals/plants/municipalities	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	Baseline 1993		0
<b>SOURCE:</b> G/ENV/EET Energy IQC and PASA USAID/DOE contractors	1998	60%	95%
<b>INDICATOR DESCRIPTION:</b> A firm or municipality is counted as successfully adopting RMS technologies if they implement at least 50 percent of the program audit recommendations, and demonstrate operation/maintenance of these technologies up to one year after the audits. A renewable energy enterprise is counted, if the equipment is operating one year after installation. Reported as a percent of the total number of clients participating in the pilot projects divided by the number of successful installations. This indicator is not cumulative.	1999	60%	
	2000	60%	
	2001	60%	
	2002	60%	
	2003	60%	

<b>SUB INTERMEDIATE RESULT 2.1.4:</b> Selected policies in place that promote the use of RMS and renewable energy technologies <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico					
<b>INDICATOR 7:</b> Percent of annual policy goals achieved.					
<b>UNIT OF MEASURE:</b> Percent of policy goals	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL EE</b>	<b>ACTUAL PP</b>	<b>ACTUAL RE</b>
<b>SOURCE:</b> G/ENV/EET Energy IQC and PASA USAID/DOE contractors, Secretary of Energy, CONAE, CFE, FIDE, CMPL, and FIRCO	Baseline 1997		0%	0%	0%
	1998	80%	80%	80%	90%
<b>INDICATOR DESCRIPTION:</b> Selected Mexican partners will develop annual policy objectives and present these in an annual work plan. At the end of each fiscal year, their accomplishments are evaluated relative to the targets.	1999	80%			
	2000	80%			
	2001	80%			
	2002	80%			
	2003	80%			

### **C. Strategic Objective 3: More democratic processes adopted in key government institutions**

**Summary:** USAID/Mexico and its partners and customers have identified three critical areas where assistance can achieve results and help Mexican governmental and civil society actors advance their own democratic governance initiatives: 1) increasing the capacity of municipal administrations and civil society organizations, which will lead to further devolution of effective power to local governments; 2) developing institutional expertise to enable the Congress to represent better the needs and interests of the people of Mexico; and 3) support for more efficient administration of justice and better rule of law through improved court administration, improved judicial training and educational structures, and promotion of alternative methods of dispute resolution within the justice system. The ultimate customers are the elected officials and staff of target government institutions, members of civil society organizations in target areas, and citizens of the communities served by these institutions.

**Key Results:** In the state of Jalisco, the International City Management Association (ICMA) developed models for improved and transparent municipal administration in the areas of financial management, service delivery, and citizen participation for state-wide and national replication. The National Autonomous University of Mexico (UNAM) developed and implemented a Master's Degree program in judicial law for state judges and began training activities for federal judges through the Mexican Federal Judicial Training Institute. The National Center for State Courts (NCSC) held its first judicial border conference with participation of 120 U.S. and Mexican judges. (The second border conference is scheduled for March 17-20, 1999.) The Jalisco State Supreme Court requires all justices in civil and family courts to attend the mediation/ADR training that the Center for Assistance to Victims of Crime (CENAVID) provides. Having achieved results throughout the country in the areas of citizen education and monitoring for electoral transparency, USAID partner Citizens' Movement for Democracy (MCD) has shifted its focus to preparing citizens for greater involvement in congressional activities and collaboration in local government under the decentralization process.

**Performance Analysis:** Activity implementation and performance in the three Intermediate Result areas is on track. Since this is the first year of the Strategy, only baselines have been measured for the indicators, precluding us from rating their performance. USAID/Mexico contracted with Management Systems International in the Fall of 1998 to help finalize indicators for the Democracy Strategy and Results Framework. Indicators, baselines and targets are complete for all fully implemented activities.

#### *I.R. 3.1 – More effective local governance in target areas*

ICMA coordinated with the three major political parties and the GOM's Interior Secretariat in conducting a nation-wide search to select six municipal participants for the U.S.-Mexico Partnership for Municipal Development. In June of 1998 ICMA initiated technical exchanges between the Mexican municipalities and their partner cities in Arizona. With support from the state government of Jalisco, ICMA is building consensus among the participating municipalities for improved models for municipal administration.

With a new focus on local governance, the Citizens' Movement for Democracy (MCD) has selected a target group of municipalities to participate in the training component of its "I am a citizen, I am the government" project. This activity will increase the capacity of citizen organizations to collaborate effectively with their municipal governments on a variety of developmental and governance related issues, through increasing knowledge of municipal functioning, financing, and decision-making, and development and use of local governance participation mechanisms.

### *I.R. 3.2.- Permanent Structures Strengthened to Enhance Congress' Legislative Function*

After consultations with State Department in September 1998, USAID signed a cooperative agreement for a legislative support activity with the Research Foundation of the State University of New York (SUNY). SUNY moved forward with a multi-party approach, negotiating agreements to work on legislative strengthening activities with political party foundations (PAN, PRD, and PRI), the Mexican Congressional Research Service, and the Mexican Library of Congress. The objectives of this activity are to establish an effective modernization group; to develop permanent, professional staff in such areas as budget analysis and oversight, legislative research and bill drafting; and to facilitate a process of legislative strengthening that will continue into the next Congress when it convenes in September 2000. USAID is also supporting MCD to improve the quality of NGO-generated legislation and citizen oversight.

### *I.R. 3.3 - More Efficient Administration of Justice in Target State Courts*

Funded by STATE/INL, the first Judicial Border Conference was held in San Diego in November 1998, attended by 100 U.S. and Mexican judges, prosecutors, and academics and keyed by U.S. Ambassador Davidow. The conference strengthened cross border relationships between U.S. and Mexican jurists. Participants improved their understanding of laws and judicial procedures in both countries. The conference sessions included presentations and discussions on U.S. and Mexican anti-narcotics trafficking laws, bilateral cooperation on extradition, juvenile justice programs, and the need for a streamlined flow of law enforcement information across the border. The next conference, also funded by INL, is scheduled for March 1999 in Albuquerque, New Mexico. Narcotics and crime will be among the featured topics, as will Intellectual Property Rights (IPR) in support of U.S. commercial interests.

The National Autonomous University of Mexico (UNAM) developed a judicial curriculum at the certificate and Master's degree levels in FY 1998. The certificate and Master's degree program started on February 5, 1999 at the Iberoamerican University in León, Guanajuato. Participating in the program are forty state judges from Guanajuato and the surrounding states of Aguascalientes, Zacatecas, Querétaro, and Michoacán.

In 1998 CENAVID, a Mexican civil society organization, began advocating ADR mediation reforms in the state of Jalisco. CENAVID trained sixty percent of Jalisco state judges from civil and family courts in mediation and alternative dispute resolution. They are also promoting more effective implementation of existing conciliation procedures within Jalisco state courts. At the request of the state governor, CENAVID opened two mediation centers in July 1998 in poor

neighborhoods of Guadalajara to mediate cases for victims of crime and abuse that traditionally have not participated in the formal justice system.

### **Prospects:**

**Local Governance** – ICMA will work with the state of Jalisco and National Municipal Associations to finalize state standards for municipal administration and promote replication to more municipalities. MCD will support CSOs in target municipalities to complete strategies for citizen collaboration in local government and will define technical assistance needs for these CSOs to achieve their objectives. A new grant to the School for Civic Training will support increased citizen participation in the state of San Luis Potosí through training for elected neighborhood councils and through civics training for rural teachers in collaboration with the state Ministry of Education.

**Congress** – The multiparty modernization group for the Federal Chamber of Deputies will define its institutional strengthening plan for activities through the next year, setting the groundwork for technical assistance available to the new Congress which will take office in 2000.

**AOJ** – USAID expects several additional states and the Federal courts to implement Master's degree programs in judicial law. USAID will establish a new model state court program to provide technical assistance to develop models to improve court administration in Mexico. The intent of the new activity will be to replicate lessons learned and best practices to other Mexican courts through the joint efforts of the National Association of State Superior Court Presidents and the National Autonomous University of Mexico (UNAM) Institute of Juridical Research. CENAVID will continue to advocate for court annexed ADR in the state of Jalisco while increasing the use of existing court conciliation mechanisms.

**Elections** – Through a recent assessment, USAID/Mexico has identified several potential options for electoral support activities leading up to the presidential election in July 2000. Programming of any activities in this area will be subject to the availability of ESF funding.

**Possible Adjustments to Plans:** USAID/Mexico did not receive the low option funding level requested for implementation of its DG Strategy for FY 1999. Without receipt of additional ESF funds prior to the end of FY 1999, the Congress Support activity will be constrained, risking a missed opportunity to build consensus on institutional development prior to the beginning of the year 2000 campaign cycle. In addition, limited International Narcotics and Crime (INC) funding, or a disruption in USAID/Mexico's relationship with judicial counterparts, could have negative impacts on this key foreign policy activity. The Country Team has stated that it would create extreme difficulties for the U.S. Government if the Congress project could not go forward. We have learned that FY 2000 ESF has been reduced from \$6 to \$2 million. Unless additional ESF is provided, USAID will not be able to carry out the elections activities supported by the Country Team.

**Other Donor Programs:** USAID/Mexico's local governance goals are advanced by Ford Foundation support for municipal associations. Ford also supports development of expertise in congressional budget processes with a Mexican think tank. IDB and World Bank support

municipal infrastructure development in Mexico's southern states. The National Democratic Institute (NDI) works with young political leaders, and the U.S. Department of Justice, State Department and the U.S. Drug Enforcement Agency work with police and prosecutors which is an essential complement to USAID/Mexico's rule of law activities. Many private U.S. and European foundations support grass roots human rights NGOs. The United Nations is phasing out a multiyear technical support project for the federal electoral commission.

**Major Contractors and Grantees:** Local Governance programs are implemented through a cooperative agreement with the International City Management Association, and grants to the Citizen's Movement for Democracy, the Mexican Society for Women's Rights and the School for Civic Training. The Congressional activities are implemented by a cooperative agreement with the Research Foundation of the State University of New York and the Citizen's Movement for Democracy. The Justice sector activities are implemented by the National Center for State Courts, with a subgrant to the National Autonomous University of Mexico (UNAM), and a grant to the Mexican Center for Assistance to Victims of Crime. Management Systems International provides support to the SO3 Team for strategy performance measurement.

## Performance Data Tables

### IR 3.1: More Effective Local Governance in Target Areas

<b>INDICATOR 1:</b> Rating on the effective local government component of the Local Governance Milestone Index			
<b>UNIT OF MEASURE:</b> Number which reflects the average score of 6 target municipalities on a scale from 0 - 3.	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> ICMA project reports	1998 Baseline		.5277
<b>COMMENTS:</b> Since 2001 follows the national election we expect to see a small drop in the ratings due to change in government/elected authorities at the local level. Definition: The scale measures local government effectiveness, according to internationally accepted standards defined by ICMA, in 7 areas: incorporation of citizen requests for information; availability of public information; incorporation of input from citizen committees; budget approval process; raising of operating revenues from local sources; inter-municipal cooperation; and service coverage. This indicator represents the effective use and implementation of the policies and procedures as measured in Indicators 3.1.1, 1 and 3.1.2, 1, below. Services include potable water, sewer, lighting, paved streets and garbage collection. The scores are determined annually by a panel of city management experts.	1999	1	
	2000	1.5	
	2001*	1.3	
	2002	2	
	2003	2.5	

### 3.2.2: Increased Access to Information for Lawmaking and Legislative Analysis

<b>INDICATOR 2:</b> Number of legislative initiatives prepared and presented by citizen groups to the federal Congress (Cámara de Diputados); disaggregated by 1) those directly submitted to MCD and 2) those submitted by MCD affiliates			
<b>UNIT OF MEASURE:</b> Number	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> MCD records; congressional records.	1998 Baseline		0/TBD
<b>COMMENTS:</b> Initiatives refer to specific formal proposals submitted by civil society organizations to create new legislation, or to modify or annul particular articles or statutes. All such initiatives are prepared in accordance with fundamental principles of formal legal and juridical drafting. "Presented to Congress" means received by either a member of the Cámara de Diputados, or by the Coordinador de los Asesores de la Comisión de Participación Ciudadana. Proposals (next indicator) include information of any type provided to members of the Cámara de Diputados for their use, whether it be for the purpose of constructing legislation, or voting in favor of or against proposed legislation or initiatives. This type of information includes, but is not limited to, the following: investigation, reports, analysis, signature petitions, opinions, commentary, and citizen surveys. Proposals are less formal than initiatives.	1999	2/TBD	
	2000	2/TBD	
	2001	4/TBD	
	2002	5/TBD	
	2003	4/TBD	

### IR3.3.1: Increased Access to Justice

<b>INDICATOR 1:</b> Percent of cases successfully mediated in target community centers			
<b>UNIT OF MEASURE:</b> Percent where the denominator is all cases mediated and the numerator is all of those cases successfully mediated.	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Registros de Mediación (CENAVID records)	1998 Baseline		10/35 = 29%
<b>COMMENTS:</b> Target community centers are those operated by CENAVID. CENAVID conducts all types of mediation at the Main Office, community mediation at the Barrios Unidos en Cristo Center, and commercial mediation at the Centro Cristiano Mediation Center. Another center is expected to open o/a August 1999, and a fifth center is expected to open in the year 2000. “Successful” means that at, or directly after, the mediation, the parties agree to a resolution of their dispute, which is recorded in a document (“Acuerdo Final de las Partes en la Mediación”) signed by both parties and the mediator.	1999	15/50 = 30%	
	2000	30/80 = 37.5%	
	2001	45/100 = 45%	
	2002	75/150 = 50%	
	2003	180/200 = 90%	

#### **D. Strategic Objective No. 4: Enhanced quality and sustainability of HIV/AIDS/STI services in targeted states**

**Summary:** A new strategic objective in HIV/AIDS, enhanced access, quality and sustainability of HN/AIDS/STI services and information for vulnerable populations in targeted areas”, was approved in May 1998 as part of USAID/Mexico’s five-year Strategic Plan. Building on opportunities presented by the reform and decentralization of the Mexican health system, the Mission will work with governmental and non-governmental partners to improve the policy context for state-level HIV/AIDS/STI services and to strengthen states’ capacity to deliver these services.

In accordance with updated guidance on Performance Monitoring Standards, USAID/Mexico has refined the Strategic Objective to delete “access” and “and information for vulnerable populations.” While increased quality and sustainability of services will maximize access, measuring access itself was determined to be beyond the Mission’s manageable interest. Likewise, rather than measuring services and information separately, we propose to define services as including such information functions as referral and counseling. While we remain committed to targeting vulnerable populations wherever possible, we propose that, in the interest of clarity, this not form part of the SO itself. The Intermediate Results necessary for achievement of the Strategic Objective are (1) improved HIV/AIDS/STI policy environment at the national and subnational level, and (2) increased capacity of governmental and non-governmental partners to deliver HIV/AIDS/STI services. Ultimate customers of these services are low-income Mexican men and women in the target states of Yucatán, Guerrero, México, Oaxaca, Veracruz, Puebla, Jalisco, and the Federal District. The Mission assesses that its HIV/AIDS/STI strategic objective is being met.

**Key Results:** USAID/Mexico’s activities over the past year were directed toward defining goals and planning for implementation. Workplans were developed with Mexican partners and cooperating agencies; baseline data gathered, and targets set. The Performance Monitoring Plan has been completed and will be presented under separate cover. In addition, progress has been achieved against several lower level results. For example, under IR 4.1.3 “increased availability of data for policy development, program design, and advocacy”, USAID and the World Bank sponsored a series of conferences for health decision makers, private business leaders, and selected NGOs. A study of gonococcal and chlamydial infections among female commercial sex workers on a southern border site was completed. A second study on truckers entering Mexico along the Pan American Highway is in its final phase, and results will be compared with those of a similar study on Central American truckers, in order to design regional interventions for this high-risk population. Preparations with Mexican partners for conducting a facility-based survey of a sample of health units in target states are underway. The survey will provide a baseline for measuring service quality, as well as data needed for the elaboration of national STI guidelines. In support of IR 4.1.2, “norms devised/revised at national level”, algorithm validation studies are currently being designed, and will be conducted at selected sites, in order to provide a technical basis for national guidelines on sexually transmitted infections (STIs), which are being developed by the National AIDS Prevention Council (CONASIDA). Under IR 4.2.1, “improved technical and management skills among governmental and non-governmental partners,” the International HIV/AIDS Alliance worked with key NGOs to form a core national resource group



which carried out workshops in skills building, planning and external relations with local NGOs in three out of eight target states. As a first step toward IR4.1 “strategic plans devised and disseminated”, workshops in state-level strategic planning were held in two states (out of three planned) with the active participation of NGOs and civil society organizations. Multisectoral strategic planning groups were formed in each state to continue the strategic planning process and shape the response to HIV/AIDS at the individual state level. In the state of Yucatan, the multisectoral group obtained private sector funding to conduct a training workshop for 150 health providers. Lobbying efforts carried out under the Policy Project were instrumental in the creation of an AIDS Prevention Council for the Federal District.

**Performance Analysis and Prospects:** Benchmarks expected during FY 2000 include: 1) continuing multisectoral strategic planning working groups; 2) completed Algorithm validation studies for STI guidelines; and 3) issuance of finalized STI guidelines by CONASIDA.

USAID/Mexico is working with the G-CAP program to develop a plan to cover “hot spots” and transit routes within Mexico, which are focal points for rapid dissemination of the AIDS virus throughout the region. The goal is to develop a coordinated response to address the vulnerability of mobile populations and their partners that would be complementary to bilateral efforts. A more detailed plan is expected to come out of a meeting between Mexican and Central American leaders in HIV/AIDS to be held in Tapachula, Chiapas, May 24-28, 1999. Additional resources would be required to carry out these new activities. USAID proposes that funds be made available from Central American supplemental funds, perhaps in the context of the new MOU for U.S.-Mexico cooperation in Central America.

**Possible Adjustment to Plans:** Without new funds, USAID/Mexico cannot take on new activities, and would have to curtail its support of strategic planning, working in fewer states than the eight originally planned. If funding were to drop below the \$700,000 level, activities in support of NGO strengthening would have to be significantly reduced or even eliminated.

**Other Donor Programs:** USAID continues to be the largest donor in the HIV/AIDS field in the country. UNAIDS has recently increased its involvement by supporting a prevention project aimed at men who have sex with men, and by the Lazo Rojo (Red Ribbon) campaign sponsored by UNICEF which makes barber shop and beauty salons agents for prevention education. USAID funding has served as a catalyst for mobilizing funds and effort from other sources. For example, lobbying efforts supported by the Policy Project resulted in the formation of an AIDS Prevention Council in the Federal District (Mexico City). Although approximately one-third of AIDS cases in Mexico have occurred in Mexico City, until February 1998 there was no specific entity in Mexico City charged with the prevention and control of HIV/AIDS. USAID support for the formation of state strategic planning groups was complemented by funds from the National AIDS Prevention Council (CONASIDA) to provide follow-up and technical assistance to the newly formed groups. In addition, UNAIDS has accepted a proposal from CONASIDA to fund strategic planning at the jurisdictional level. This complements efforts in strategic planning at the state level funded by USAID. GOM commitment remains strong. Despite budget cuts in other sectors, the Secretariat of Health’s budget for 1999 increased 10% in real terms with respect to 1998.

CONASIDA's budget, which comes from the Secretariat of Health, increased by 13.4% in real terms over last year, but that was only sufficient to stay even with inflation. State level activities in strategic planning funded by USAID are incorporated into CONASIDA's contribution to decentralization of health services under the National Development Plan 1995-2000.

**Major Contractors and Grantees:** Key activities being funded by USAID include: (1) implementation of a strategic planning process in target states, and policy dialogue activities (Policy Project/Futures Group); (2) development and validation of national guidelines for STI treatment and care, and identification of a local training institution to provide state level training of providers in those guidelines as well as in guidelines already established for HIV/AIDS (Impact/Family Health International); (3) support for strengthening a set of leading NGOs active in target states in HIV/AIDS (International HIV/AIDS Alliance); and (4) monitoring and evaluation (Measure II/Macro International).

## Performance Data Tables

<b>STRATEGIC OBJECTIVE 4:</b> Enhanced Quality and Sustainability of HIV/AIDS/STI Services in Targeted States			
<b>INDICATOR:</b> Proportion of individuals presenting with specific STIs in SSA primary level health facilities, who are managed in an appropriate way			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Facility assessments conducted by MEASURE II in 1999 and 2002	1998 Baseline		<20% **
<b>COMMENTS:</b> WHO/GPA prevention indicator 6. "In an appropriate way" means managed according to national guidelines. Target states are Guerrero, Yucatán, México, Puebla, Oaxaca, Jalisco, Veracruz, and the Federal District.  Due to expense and relatively longer time intervals needed for changing health worker performance, data for this indicator will not be collected on an annual basis. Rather, certain input and process level variables related to the achievement of this indicator will be reported annually.  A 1998 baseline was established through discussion with knowledgeable persons. While that baseline will not be strictly comparable to the results of the 1999 facility assessment, it will provide a "place holder" for reviewing progress.  HIV/AIDS and STI management are separated because there is an existing set of norms for HIV/AIDS, but no such guidance exists for STIs. Thus, the calculation for this indicator will differ for HIV/AIDS and STIs.	1999		
	2000		
	2001		
	2002		
	2003		

\*\*Note: The baseline for this indicator is a proxy. Actual baseline data for this indicator will be available in fourth quarter 1999 through a facility-based survey in eight states. The proxy figure is derived from SSA data (an annual supervisory review) and average important precursors of quality case management such as training, supervision, availability of condoms and medications, health worker knowledge of existing HIV/AIDS and STD guidelines, and the proportion of prenatal attenders who are tested for syphilis.

<b>STRATEGIC OBJECTIVE 4:</b> Enhanced Quality and Sustainability of HIV/AIDS/STI Services and in Targeted States			
<b>INDICATOR:</b> Proportion of individuals seeking care in SSA primary health facilities, who are managed in an appropriate way for HIV/AIDS			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Facility assessments conducted by MEASURE II in 1999 and 2002	1998 Baseline		<20% **
<b>COMMENTS:</b> WHO/GPA prevention indicator 6. "In an appropriate way" means managed according to national guidelines. Target states are Guerrero, Yucatán, México, Puebla, Oaxaca, Jalisco, Veracruz, and the Federal District.  Due to expense and relatively longer time intervals needed for changing health worker performance, data for this indicator will not be collected on an annual basis. Rather, certain input and process level variables related to the achievement of this indicator will be reported annually.  A 1998 baseline was established through discussion with knowledgeable persons. While that baseline will not be strictly comparable to the results of the 1999 facility assessment, it will provide a "place holder" for reviewing progress.  HIV/AIDS and STI management are separated because there is an existing set of norms for HIV/AIDS, but no such guidance exists for STIs. Thus, the calculation for this indicator will differ for HIV/AIDS and STIs.	1999		
	2000		
	2001		
	2002		
	2003		

\*\*Note: The baseline for this indicator is a proxy. Actual baseline data for this indicator will be available in fourth quarter 1999 through a facility-based survey in eight states. The proxy figure is derived from SSA data (an annual supervisory review) and average important precursors of quality case management such as training, supervision, availability of condoms and medications, health worker knowledge of existing HIV/AIDS and STD guidelines, and the proportion of prenatal attenders who are tested for syphilis.

<b>STRATEGIC OBJECTIVE 4:</b> Enhanced Quality and Sustainability of HIV/AIDS/STI Services in Targeted States			
<b>RESULT NAME 4.1:</b> Improved HIV/AIDS/STI policy environment at the national and subnational level			
<b>INDICATOR</b> Change in AIDS Policy Environment Score (APES)			
<b>UNIT OF MEASURE:</b> Per cent	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Policy Project/Futures Group	1998 Baseline  Set 1: four states		50%
<b>COMMENTS:</b> Target states are Guerrero, Yucatán, México, Puebla, Oaxaca, Jalisco, Veracruz, and the Federal District. The AIDS Policy Environment Score (APES) is an instrument designed to measure the policy environment that surrounds a national HIV/AIDS/STI program. The APES is composed of seven categories to assess the policy environment: political support, policy formulation, organizational structure, legal and regulatory environment, program resources, program components, and evaluation and research. In 1998, the APES baseline assessment was conducted in Mexico, Guerrero, Yucatan and the Federal District (Set 1). In 1999 the APES will be conducted in Puebla, Oaxaca, Jalisco and Veracruz (Set 2). The indicator is reported as the averaged percentage APES score.	1999 (Set 2: four states)	50%	
	2000 (Set 1: four states)	55%	
	2001 (Set 2: four states)	55%	
	2002 (Both sets)	60%	
	2003	-	

<b>STRATEGIC OBJECTIVE 4:</b> Enhanced Quality and Sustainability of HIV/AIDS/STI Services in Targeted States			
<b>RESULT NAME 4.2:</b> Increased capacity of governmental and non-governmental partners to deliver HIV/AIDS/STI services			
<b>INDICATOR:</b> Number of HIV/AIDS NGOs in target states with improved strategic plans			
<b>UNIT OF MEASURE:</b> Cumulative number of HIV/AIDS NGOs	<b>YEAR</b>	<b>PLANNED TARGETS</b>	<b>ACTUAL</b>
<b>SOURCE:</b> International HIV/AIDS Alliance documentation (provided by Colectivo Sol and focal point NGOs in each state) and Futures Group data base of NGOs	1998 Baseline		0
<b>COMMENTS:</b> Target states for 1998-1999 are Guerrero, Yucatán, Mexico, Federal District. For 2000-2003 target states are Puebla, Oaxaca, Jalisco, Veracruz. HIV/AIDS Alliance will monitor the percentage and number of leading AIDS NGOs, PWA groups and civil society activists who received training/technical assistance in the program which have improved strategic plans including external relations and alliance building strategies.	1999	13	
	2000	17	
	2001	21	
	2002	25	
	2003	30	

## **E. Strategic Objective No. 5: Sustainable increase in contraceptive prevalence**

**Summary:** Close-out of the private sector component of USAID/Mexico's population program occurred on September 30, 1998. In this final year, USAID support to MEXFAM and FEMAP was aimed at improving the NGOs' chances for survival after the withdrawal of USAID funds. MEXFAM's efforts were designed for overall institutional strengthening, including remodeling and equipping clinics, staff training, a publicity campaign, decentralization of decision-making capabilities to clinic staff, development of a new accounting system, and contraceptive product marketing. FEMAP, on the other hand, chose to use their final funds in a more innovative manner. With assistance from IPPF, MSH, and SOMARC, they launched fourteen FEMAP Pharmacies, with the hope that the profits earned (in FY 1998, US\$150,000) would be sufficient to support their community programs.

In November 1997, the Government of Mexico, through the General Secretariat of the National Population Council (CONAPO), Ministry of Health (SSA), Mexican Social Security Institute (IMSS), and the Social Security Institute for Government Workers (ISSSTE), developed the *Mexican Plan of Action for Improving Quality of Care and Strengthening Family Planning Information, Education, and Communication Activities*. In December 1997, the Mexican institutions and USAID agreed that, for the period remaining in the Memorandum of Understanding, USAID resources would be directed exclusively to strengthening activities related to quality of services and informed consent, using as the framework the *Action Plan* mentioned above. In August 1998, a bilateral technical team assessed the progress under the *Action Plan*, specifically the activities financed by USAID. For this review, observation visits were made in four states (Michoacán, Oaxaca, Puebla, and Veracruz), where more than 300 people were interviewed and more than 40 hospitals and health centers were visited. The team found that the public sector institutions are committed to providing high quality family planning services. See other results below in "Performance Analysis."

The bilateral technical team recommended that for the time remaining in the MOU the Mexican institutions continue with activities of: dissemination of the family planning Norms and reproductive rights information; training in counseling; production of educational materials related to quality and reproductive rights; supervision with a focus on continuous quality control techniques; monitoring correct implementation of the informed consent process; simplifying the informed consent form; follow-up of cases of alleged reproductive rights violations; and services for adolescents. The team also recommended: development of a quality monitoring and evaluation system utilizing indicators that can be comparable between institutions; and increasing resources assigned to providing services to rural and marginal-urban populations, primarily for production of IEC materials, supervision and training.

This will be the last R4 containing data on the Family Planning program. The SO is considered closed.

**Key results:** During FY 1998, MEXFAM and FEMAP worked with IPPF/Mexico, The Population Council, SOMARC, MSH, and AVSC to improve the quality of services provided in their clinics, increase use of these services, and improve their prospects for survival after the termination of USAID assistance. Activities include: IPPF: economic and administrative

strengthening and institutionalization of MEXFAM's medical service centers and FEMAP's pharmacy program, and testing of innovative plans to improve and expand services; INOPAL III: strengthening of financial and administrative management of programs; SOMARC: assistance to MEXFAM in the area of services marketing for its Medical Service Centers and in product marketing, and to FEMAP in the launching of its pharmacy chain; and MSH: assistance to FEMAP in identifying and documenting successful management practices and managing the pharmacies business, and to MEXFAM to institutionalize its central office Medical Quality Unit and to improve quality in its Medical Services Centers (CSMs). Lastly, AVSC worked with FEMAP to train trainers in the five FEMAP affiliates with medical units providing females sterilization in counseling and informed consent, to extend the training to service providers at medical units and to community promoters, and to implement and/or reinforce the procedures for the use of informed consent forms for sterilization clients.

The Mexican public sector institutions carried out activities with the Global Bureau's Cooperating Agencies<sup>1</sup> aimed at contributing to improvement in the quality of reproductive health services. These activities will continue through the close-out date of March 30, 1999.

- IMSS: Continued institutionalization of service delivery strategies; IMSS-PRIME project to strengthen training systems and development of standard reproductive health training manual; continued dissemination of informed consent procedures; training of service providers in counseling and informed consent, and strengthening of facilitative supervision activities.
- SSA: Training of primary reproductive health care providers in reproductive health, family planning, interpersonal communication, and reproductive rights; design and production of materials "translating" the family planning norms for service providers and users; development of educational materials for adolescents; evaluation of the impact of training in interpersonal communication; and documentation of lessons learned from priority strategies, such as indigenous population and adolescents.
- ISSSTE: Training in counseling; strengthening of adolescent reproductive health program, including development of educational materials, expanding adolescent services, and promotion of reproductive rights for this age group; and strengthening of facilitative supervision activities.
- CONAPO: Communication activities: Finalizing mass media campaign, the last stages of which focused on reproductive rights and informed consent; development of educational materials (posters and pamphlets) on informed demand and informed consent; and reproduction of videos directed to adolescents, for health unit waiting rooms and secondary schools. Evaluation activities include publishing survey reports; development of Quality of Services Monitoring and Evaluation System; and follow-up of alleged reproductive rights abuses in the National Human Rights Commission and the National Medical Arbitration Commission.

### **Performance analysis:**

SO: Since no national demographic survey was carried out during the fiscal year, USAID/Mexico measures progress of the strategic objective using as a proxy Indicator 2.1 for IR2 "Increased use of family planning services in target areas: number of new users of public

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<sup>1</sup> The Population Council/INOPAL and Frontiers, John Snow, Inc./FPLM, Johns Hopkins University Population Communication Services, Management Sciences for Health/FPMD, Pathfinder International, AVSC International, INTRAH/PRIME, The POLICY Project, and Family Health International.

sector family planning services per year.” In FY 1998, the GOM institutions achieved 99% of the goal, providing services to 1,286,000 men and women.

IR1-Increased availability of quality family planning services in target areas: The results of the August 1998 public sector review are being used to provide information on the progress of the quality IR. The report showed that all the health units visited have at least one copy of the Norms and the hospitals have more than one; all the family planning training courses include issues related to improving the quality of services, such as counseling and interpersonal communication, informed choice and informed consent, and the perspective of men and women users; service providers have been trained in counseling and interpersonal communication in the three institutions, educational materials have been developed for users and service providers, the Mexican institutions provide counseling according to the Norms in all reproductive health care settings, all the units visited have sufficient informed consent forms, and signed informed consent forms were found in the files of all permanent method users.

IR2-Increased use of family planning services in target areas: The results of Indicator 2.2, couple years of protection per year for key family planning NGOs, show that performance was less than expected. MEXFAM and FEMAP achieved 78% of the FY 1998 target, primarily because their focus has shifted from exclusively family planning services, to a wider range of primary and reproductive health care services. While this has negatively affected the overall number of family planning clients, it has assisted both NGOs to become more sustainable.

IR3-Increased sustainability of family planning delivery systems in target areas: At this time, the total Government of Mexico FY 1998 family planning budget is not yet available. In the private sector, MEXFAM shows considerable and steady improvement in these financial indicators, exceeding the targets for both private sector indicators. Currently, they recover 61% of their total costs, demonstrating increased sustainability from last year, when this figure was 46%. Likewise, USAID funds accounted for only 11% of their total income, an improvement over last year when dependence on USAID funding was 14%. While the FEMAP data demonstrate that their financial sustainability has worsened, it is important to consider the variables used. Since USAID FY 1998 funds were used to launch the FEMAP Pharmacy program, and no funds were used for community and clinic operations, FEMAP based their calculations only on USAID funds donated for the pharmacies, income generated by them, and their total costs. The figures, then, represent only sustainability of FEMAP’s pharmacy program. Given the profits in the first year of operations (approximately US\$150,000), USAID is confident that this sustainability strategy will prove successful.

**Prospects:** The PACD for Mexico’s population program is March 31, 1999. While field support funding for the Mexican institutions will cease on that date, core-funded activities funded from G/PHN will continue to be carried out here. Given that there will no longer be a population office in Mexico monitoring activities, USAID/Mexico must be an integral part of project development, approval, and monitoring. In this sense, USAID/Mexico will be included in any discussions about activities in Mexico at the earliest stage possible, in order to be an active partner in all discussions and communications on possible Mexico activities. USAID/Mexico will review the proposals with USAID/Washington, who would then make a joint decision on whether or not to approve the core-funded proposal. Also, the contracts and grant agreements



related to core activities in Mexico must specifically mention that the contractor/grantee will provide copies of all reports to USAID/Mexico, and that USAID/Mexico will be invited to participate in all reviews, etc. To better monitor in-country activities, USAID/Mexico must provide concurrence for, or be notified of, all travel to Mexico under core-funded projects.

## Performance Data Tables

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence <b>APPROVED:</b> 06/24/94 <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>INDICATOR:</b> Contraceptive prevalence in target areas among married women-all methods.			
<b>UNIT OF MEASURE:</b> Percent of married women of reproductive age in target areas using contraception  <b>SOURCE:</b> Government of Mexico demographic surveys  <b>INDICATOR DESCRIPTION:</b> Period reported: Cys  <b>COMMENTS:</b> Target areas are the priority states identified in the USAID/Mexico population strategy: Chiapas, Guanajuato, Guerrero, Hidalgo, Estado de México, Michoacán, Oaxaca, Puebla, and Veracruz. There is no data for 1998 because no national survey was done in 1998.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1992 (B)	60.0%	58.2%
	1993		No data
	1994		No data
	1995		63.4%
	1996		64.8%
	1997		No data
	1998 (T)	68.7%	No data

Gender Disaggregation: 100% women

Immediate Past Performance (FY 1998): NA-no data gathered for FY 1998, therefore this indicator should not be rated.  
 See IR2 indicator 2.1 for SO indicator proxy.

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence <b>APPROVED:</b> 2/25/99 <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico	
<b>RESULT NAME:</b> IR 1 – Increased availability of quality family planning services in target areas	
<b>SOURCE:</b> “Progress Review of the Memorandum of Understanding for the Extension of Reproductive Health and Family Planning Services between the Governments of Mexico and the United States of America”, October 1998 <b>COMMENTS:</b> Period reported: FY 1998 (Review carried out in August 1998). The observations contained in the report are limited to forty of the health units in the states of Michoacán, Oaxaca, Puebla, and Veracruz visited by the evaluation team, as well as to the 300 interviews carried out with representatives from the various institutions. No “Planned” figures are provided since these indicators are new and will not be measured again.	
<b>INDICATOR 1.1</b> – % of units with the Mexican Official Family Planning Services Norms	100%
<b>INDICATOR 1.2</b> - % of family planning methodology training courses with quality of care elements (counseling, informed choice and informed consent, client perspective, and interpersonal communication)	100%
<b>INDICATOR 1.3</b> - % of reproductive health care settings where counseling is provided according to the official Family Planning Norms	100%
<b>INDICATOR 1.4</b> - % of units with informed consent forms	100%
<b>INDICATOR 1.5</b> - % of sterilization users with informed consent forms in their charts	100%

Gender Disaggregation: NA

Immediate Past Performance (FY 1998): MET (Achieved 100% of target)

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence			
<b>APPROVED:</b> 06/24/94		<b>COUNTRY/ORGANIZATION:</b> USAID/Mexico	
<b>RESULT NAME:</b> IR 2 – Increased use of family planning services in target areas			
<b>INDICATOR 2.1</b> – No. Of new users of public sector family planning services per year			
<b>UNIT OF MEASURE:</b> Number of users (people)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> GOM reports	1992 (B)	1,000,000	946,950
<b>INDICATOR DESCRIPTION:</b> Period reported: July 1997-June 1998 The Mexican public sector institutions report information on new users to Pathfinder on a semester basis because their information systems function on a semester basis. Number of new users: IMSS: 760,023 SSA: 471,182 ISSSTE: 53,770 Total: 1,285,975  <b>COMMENTS:</b> This figure represents the number of clients who received a family planning method for the first time through the service delivery points of the IMSS, ISSSTE, and SSA, in the project states of Chiapas, Guanajuato, Guerrero, Hidalgo, Estado de México, Michoacán, Oaxaca, Puebla, Veracruz, San Luís Potosí, Tamaulipas, Zacatecas, and Jalisco.	1993	975,000	928,879
	1994	1,060,000	978,863
	1995	1,100,000	1,367,600
	1996	1,150,000	1,255,197
	1997	1,200,000	1,255,818
	1998 (T)	1,300,000	1,285,975

Gender Disaggregation:

Women:	91%
Men (users of vasectomy and condoms):	9%
Total:	100%

Immediate Past Performance (FY 1998): MET (Achieved 99% of target)

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence <b>APPROVED:</b> 06/24/94 <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>RESULT NAME:</b> IR 2 – Increased use of family planning services in target areas			
<b>INDICATOR 2.2</b> – CYPs per year for key family planning NGOs			
<b>UNIT OF MEASURE:</b> CYPs (Couple Years of Protection)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Key NGO reports (MEXFAM and FEMAP)	1992 (B)		539,395
<b>INDICATOR DESCRIPTION:</b> Period reported: FY 1998 Number of CYPs: MEXFAM: 128,581 FEMAP: 99,377 Total: 227,958  <b>COMMENTS:</b> Target areas for the private sector are the project sites of the key NGOs (FEMAP and MEXFAM). The downward trend represents the new reality for MEXFAM and FEMAP in the context of service diversification-fewer family planning customers and more reproductive health services customers.	1993		542,001
	1994	398,873	522,356
	1995	577,981	440,916
	1996	614,264	398,220
	1997	651,495	332,704
	1998 (T)	290,000	227,958

CYP equivalents used (MEXFAM and FEMAP):

1 sterilization=MEXFAM 10 CYPs, FEMAP 15 CYPs<sup>2</sup>

1 Norplant implant=3.5 CYPs

1 IUD insertion=3.5 CYPs

Verified referrals to sterilization=MEXFAM 5 CYPs,  
FEMAP 7.5 CYPs

1 yr supply of bimonthly injectables (6 injs.) = 1 CYP

1 yr supply of monthly injectables (13 injs.) = 1 CYP

Verified referrals to Norplant = MEXFAM 1.75 CYPs

Verified referrals to IUD insertion = MEXFAM 1.75 CYPs

1 new acceptor Billings method=.35 CYP

1 user trained in the Billings method=2 CYPs

15 cycles of pills = 1 CYP

150 condoms = 1 CYP

150 vaginal tablets = 1 CYP

150 of other barrier methods = 1 CYP

Gender Disaggregation: Approximately 17% of the CYPs (38,753 CYPs) are attributable to male methods (vasectomy and condoms).

Immediate Past Performance (FY 1998): FELL SHORT (Achieved 78% of target)

<sup>2</sup> The CYP conversion factor differs for surgical methods because IPPF allows each NGO to use their own factor when one is available (the case of FEMAP). For all other methods, MEXFAM and FEMAP use the same IPPF conversion factor.

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence <b>APPROVED:</b> 06/24/94 <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico					
<b>RESULT NAME:</b> IR 3 – Increased sustainability of family planning delivery systems in target areas					
<b>INDICATOR 3.1</b> – Total annual Government of Mexico family planning budget					
<b>UNIT OF MEASURE:</b> nominal and real pesos, and real U.S. dollars  <b>SOURCES:</b> See below.  <b>INDICATOR DESCRIPTION:</b> Period reported: CY 1997 See below.  <b>COMMENTS:</b> This indicator tracks sustainability by indicating continued government support of family planning services. See additional comments below.	<b>YEAR</b>	<b>PLANNED (Real US\$)</b>	<b>ACTUAL (Real US\$)</b>	<b>ACTUAL (Nominal Mex\$)</b>	<b>ACTUAL (Real Mex\$)</b>
	1992	50,000,000	63,200,000	196,893,280	196,893,280
	1993	54,000,000	87,200,000	270,834,480	246,213,164
	1994	97,000,000	104,640,000	347,928,000	290,448,284
	1995	110,000,000	336,400,000	2,048,070,480	1,097,731,882
	1996	125,000,000	414,240,000	3,106,800,000	2,521,975,969
	1997	140,000,000	611,228,000	4,930,678,000	4,260,869,000
	1998	700,000,000		Data not yet available	

Sources:

Nominal pesos: Consejo Nacional de Población

Real pesos: Average CY 1998 Mexican inflation, Bank of Mexico

Real dollars: Average CY 1998 U.S. inflation, Bureau of Labor Statistics

Average CY 1998 Mexican pesos to U.S. Dollars Exchange Rate, U.S. Treasury

Equations: Robert Burke, Chief Economist of the LAC Bureau, LAC/DPB

Equivalencies:

Average CY 1998 Mexican inflation = 18.61%

Average CY 1998 U.S. inflation = 1.6%

Average CY 1998 Mexican pesos to U.S. Dollars Exchange Rate: 9.136 Mexican pesos = 1.00 U.S. dollar

Equations:

Nominal pesos: No equation-figure provided directly by the Consejo Nacional de Población

Real pesos = Nominal pesos / Average CY 1998 Mexican inflation

Real dollars = Nominal pesos / Average CY 1998 Mexican pesos to U.S. Dollars Exchange Rate / Average CY 1998 U.S. inflation

Gender Disaggregation: NA

Immediate Past Performance (FY 1998): TBD

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence <b>APPROVED:</b> 06/24/94 <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>RESULT NAME:</b> IR 3 – Increased sustainability of family planning delivery systems in target areas			
<b>INDICATOR 3.2</b> – Percent of total costs recovered by key family planning NGOs			
<b>UNIT OF MEASURE:</b> Percent  <b>SOURCE:</b> Key NGO financial reports (MEXFAM and FEMAP)  <b>INDICATOR DESCRIPTION:</b> Period reported: FY 1998 Target areas: Project sites (USAID funded) of the key NGOs.  <b>COMMENTS:</b> This indicator tracks long-term sustainability of the two key family planning NGOs (MEXFAM and FEMAP) that provide approximately 90% of the NGO sector services in Mexico. It represents the percent of total NGO costs recovered in FY 1998, through all means of income generation.  Indicator calculation: MEXFAM: $\frac{\text{Income generated}}{\text{Total costs}}$ FEMAP: $\frac{\text{Income generated from pharmacies}}{\text{Total costs of pharmacies}}$  Increasing indicator values represent increasing sustainability. While MEXFAM increased the percentage of income generated from 1997 to 1998, FEMAP's percentage decreased. This is because FEMAP only provided information for their pharmacy program, which is what USAID supported in FY 1998. If we were to request this indicator data next year, we would most likely see a significant improvement because the pharmacy program will have had time to start earning better profits. MEXFAM's increase is most likely due to the strong performance of the Centros de Servicios Médicos in FY 1998. All of these Centros reached the break-even point, and some generated additional funds.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1992 (B)	FEM: MEX:	FEM: N/A MEX: 10.57
	1993	FEM: MEX:	FEM: 30.34 MEX: 16.41
	1994	FEM: 33.28 MEX: 19.70	FEM: 30.41 MEX: 17.36
	1995	FEM: 28.08 MEX: 29.50	FEM: 39.00 MEX: 21.00
	1996	FEM: 33.30 MEX: 24.60	FEM: 44.00 MEX: 29.00
	1997	FEM: 34.04 MEX: 27.18	FEM: 37.46 MEX: 46.00
	1998 (T)	FEM: 42.00 MEX: 29.75	FEM: 24.61 MEX: 61.00

Gender Disaggregation: NA

Immediate Past Performance (FY 1998):

FEMAP: FELL SHORT (Achieved 59% of target)

MEXFAM: EXCEEDED (Achieved 205% of target)

<b>Strategic Objective 5:</b> Sustainable increase in contraceptive prevalence <b>APPROVED:</b> 06/24/94 <b>COUNTRY/ORGANIZATION:</b> USAID/Mexico			
<b>RESULT NAME:</b> IR 3 – Increased sustainability of family planning delivery systems in target areas			
<b>INDICATOR 3.3</b> – Dependence of key family planning NGOs on USAID funding			
<b>UNIT OF MEASURE:</b> Percent of key NGO budget supplied by USAID/Mexico  <b>SOURCE:</b> Key NGO financial reports (MEXFAM and FEMAP)  <b>INDICATOR DESCRIPTION:</b> Period reported: FY 1998 Target areas: Project sites (USAID funded) of the key NGOs.  Indicator calculation: MEXFAM: <u>USAID donation</u> All income FEMAP: <u>USAID donation for pharmacies</u> Total costs of pharmacies  <b>COMMENTS:</b> This indicator provides a measure of financial sustainability of the NGO sector in the more medium term. The aspect of financial sustainability being tracked is the dependence of the NGO sector on USAID funding, as measured by the percent of the NGO budget that is supplied by USAID.  Decreasing indicator values signifies decreasing dependency on USAID funds. MEXFAM decreased their dependency on USAID funds, primarily due to continued efforts to secure other donors during FY 1998. FEMAP showed an increasing dependency on USAID funds because they only provided information for their pharmacy program, which is what USAID supported in FY 1998. Since USAID was the primary supporter of the pharmacy program, USAID dependency figures increased.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1992 (B)	FEM: MEX:	FEM: N/A MEX: 44.6
	1993	FEM: MEX:	FEM: 52.51 MEX: 37.98
	1994	FEM: 66.58 MEX: 30	FEM: 62.90 MEX: 42.60
	1995	FEM: 46.04 MEX: 20	FEM: 69.00 MEX: 36.85
	1996	FEM: 33.99 MEX: 29.68	FEM: 52.00 MEX: 30.00
	1997	FEM: 34.14 MEX: 26.63	FEM: 46.79 MEX: 14.28
	1998 (T)	FEM: 25.00 MEX: 22.43	FEM: 75.39 MEX: 11.65

Gender Disaggregation: NA

Immediate Past Performance (FY 1998):

FEMAP: FELL SHORT (Achieved 33% of target)

MEXFAM: EXCEEDED (Achieved 148% of target)

## **F. Proposed Strategic Objective: Infectious Disease (Tuberculosis)**

The FY 1999 Omnibus Appropriations Act contained language to include tuberculosis in Mexico as part of the LAC Bureau's infectious disease program. USAID/Mexico recognizes the significant problem of tuberculosis and the implications for migration to the U.S. as meriting assistance to Mexico to strengthen the national TB program, with clearly defined efforts on the northern border with the U.S. Since that time USAID/Mexico has worked with important stakeholders in order to define areas for possible collaboration and support.

The USAID/Mexico Mission Director met with Dr. W. Reynolds Archer III, Texas Health Commissioner and Ten against TB (TATB) Chairperson in Austin in October 1998, and with Dr. Xavier Leus, Chief of the Pan American Health Organization (PAHO) Field Office for the U.S.-Mexico border in November. A representative from USAID/Mexico participated in a meeting on U.S.-Mexico Border TB issues convened by the Global Health Council at PAHO headquarters in Washington in November 1998. Representatives from CDC, DHHS, Ten Against TB, Gorgas, Project Concern and Project Hope also participated. In December the Mission met several times with the Secretariat of Health (SSA) regarding the National TB Program and discussed terms of reference for collaboration and support. In January, SSA submitted a proposal to USAID/Mexico, signaling the border and the poorer southern states as suggested foci for USAID support.

Discussions with the SSA culminated in the signing of a Memorandum of Understanding between the U.S. and Mexico on Prevention and Control of Tuberculosis during President Clinton's visit to Mexico February 15, 1999. The MOU states that the U.S. and Mexico will work to identify areas for joint activities in the field of international cooperation on tuberculosis, including the expansion or strengthening of existing programs where appropriate. Activities may include expanding usage of directly observed therapy (DOT), increasing awareness of TB as a curable disease, strengthening surveillance and expanding laboratory capacity. In March, USAID/Mexico will field a design team led by an internationally recognized TB expert, to define in greater detail the causes of TB incidence and spread, and make recommendations for combating the TB threat in collaboration with the GOM, border states on both sides, and key NGOs.

USAID/Mexico will draw on the team's recommendations to prepare a strategic plan for TB activities in Mexico to be submitted to USAID/Washington for approval. Our goal is to have the agreement (MOU) signed at the Bi-National Committee Meetings to be held in Mexico in June 1999.

Activity implementation has already begun (a waiver was prepared for approval by the Assistant Administrator/LAC). The strategic plan will be completed by July 1999. USAID/Mexico is hiring a staff person to manage the new TB initiative.



## **G. Special Objective 1: Development cooperation between Mexico and the United States, especially in Central America, increased**

Intermediate Result 1. Central Americans and other select participants from USAID-funded and related activities trained by Mexican institutions

Intermediate Result 2. Projects in Central America with coordinated USAID and Mexican technical assistance initiated

**Background:** In October 1998, the Secretaries of State of the United States, Canada, and Mexico agreed to better coordinate their international development assistance programs in the hemisphere. As a first step toward this goal, the international assistance agencies of the three countries met in January 1999 and agreed upon an immediate memorandum of understanding between Mexico and the United States, to correlate with a similar MOU already in place between Canada and Mexico. The bilateral MOU between Mexico and the United States was signed on February 15, 1999 in Mérida. The tripartite, hemispheric MOU envisioned by the Secretaries of State will be in direct support of the Summit of the Americas Plan of Action, and is to be signed at a meeting of NAFTA heads of state.

The MOU between Mexico and the United States envisions coordinated efforts between USAID and its Mexican counterpart, the Mexican Institute for International Cooperation (IMEXCI), which is part of the Foreign Affairs Secretariat. The coordination is expected to be in activities related to the longer term sustainable development of Central America as well as coordination in the reconstruction of Central American countries devastated by the 1998 hurricanes. The MOU calls for USAID to fund the international travel of Central American participants to be trained in Mexico, while Mexico will fund the internal travel, per diem, and training costs of the participants. For technical assistance, IMEXCI will fund the salaries and travel expenses of technicians provided by the GOM to Central America, while USAID will likewise cover these costs for technical assistance from the United States.

The IMEXCI-USAID coordination has a specific focus on Central America, but has the flexibility to accommodate the requirements of other LAC Missions and countries. The coordination mechanism is specifically designed to complement USAID Mission programs, but can also accommodate non-USAID efforts (e.g., those funded by the host government or by multilateral or bilateral donors) that parallel USAID programs.

**Program Description:** The coordination mechanism permits USAID Missions in Central America to enhance their program impact without substantial expenditure of additional funds. Where insufficient trained personnel constrains achievement of program goals, training in Mexico would allow for low-cost removal of the constraint. Mexico has well-established technical facilities in health and agriculture that can accommodate Central American professionals, and provide training appropriate for the Central American context. For other types of training, USAID/Mexico can help Central American Missions identify potential suppliers within Mexico, and assist in making initial connections.

In addition to GOM training and technical assistance, USAID/Mexico is positioned to facilitate access to similar services from Mexican NGOs and to help establish collaboration between Mexican NGOs and those in Central America. Funding for NGO collaboration would also come from Central American Missions, under their existing reconstruction or sustainable development program. In regional disaster preparedness, USAID/Mexico is seeking funds to bring Mexican NGOs more actively into contact with Central American NGOs. USAID/Mexico does not have funds for NGO coordination on the regional level.

In sustainable development, Mexico and Central American countries already have links with each other that could increase the impact of USAID programs in Central America. Technical assistance from Mexico, some of which is provided by USAID/Mexico counterparts, could be available in HIV/AIDS, family planning, sustainable forestry, protected lands management, alternative dispute resolution, and municipal governance. Funding for family planning cooperation could come from the decommitted balance from the closed-out family planning strategic objective. IMEXCI-USAID cooperation is anticipated in all seven Central American countries, with the LAC Regional programs being the USAID counterpart in those countries where no bilateral Mission exists.

The IMEXCI-USAID cooperation can have an immediate impact on regional disaster preparedness and hurricane reconstruction through provision of training and technical assistance to Honduras, Guatemala, Nicaragua and El Salvador. USAID Missions can access Mexican training in a variety of areas, including health, distance education, public employment programs such as the Youth Conservation Corps, watershed management and microenterprise. Drawing on the successful regional disaster preparedness activities in the Caribbean, USAID/Mexico and OFDA are assisting the GOM to develop a capacity for regional planning and response to natural disasters with Central American countries under the terms of the cooperation MOU. The initial step in this activity will be a region-wide conference sponsored by Mexico in April 1999 which, in turn, will lead up to the June 1999 meeting of Central American donors in Stockholm.

**Resource Request:** USAID/Mexico will require additional funds over its Bureau planning levels for technical assistance to the implementation of regional disaster preparedness activities within the Consultative Group mechanism. OFDA is already funding and conducting disaster training in Mexico and Central American countries, which could be coordinated to realize efficiencies at least cost. These funds, estimated at \$500,000 annually for three years, could be drawn from the Mitch supplemental appropriation, from BHR resources, or from Development Assistance.

## PART III. RESOURCE REQUEST

### A. Program Resource Level

USAID/Mexico identified the following issues for each SO allocation (see Table 1 and all other Financial Tables at the end of this section):

SO1 Critical Ecosystems and Biological Resources Conserved: Based on the special provision for fires; \$990,000 were obligated in FY 1998; \$1.2 million is estimated for FY 1999; and \$3 million for FY 2000.

SO2 Carbon Dioxide Emissions and Pollution Reduced: No issues.

SO3 Strengthened and More Responsible Democratic Institutions and Citizenry:

USAID/Mexico needs additional funding for Elections/Congress for FY 1999 (\$750,000), FY 2000 (\$500,000) and FY 2001 (\$500,000) from Economic Support Funds.

SO4 Enhanced Access, Quality, and Sustainability of HIV/AIDS Services: This SO received a considerable increase in FY 1999, to become a full SO.

SO5 New Infectious Disease Activity: This is a new SO that will start during FY 1999 at \$1 million, with \$500,000 required for FY 2000.

Microenterprise: USAID/Mexico is preparing a new strategy for proposed initial funding in FY 2000.

Bilateral Cooperation: USAID/Mexico seeks additional funding to implement this program.

Account	FY 1998 Actual	FY 1999 Estimate	FY 2000 Request	FY 2001 Plan
Development Assistance	9,366	9,467	11,450	12,000
Bilateral Coop:				
Disaster Assistance	550	500	500	500
Microenterprise			1,000	1,000
Economic Support Fund	1,000	1,500	2,000	2,200
State Elections/Congress		750	500	500
International Narcotics and Crime Fund	<u>500</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Total, All Accounts	11,416	13,217	16,450	17,200

### B. Influence of Performance on Resource Decisions

Since all SOs met expectations, no funding levels were reduced for poor performance.

### C. OE and Staffing Requirements

Overview of FY 1999 Estimate (see Table 2 for Operating Expenses). At the requested level of \$550,000, USAID/Mexico will be able to fund regular office operations (e.g. FSN salaries and benefits, residential rent, communications, etc.) at current cost levels. This level will permit

coverage of one calendar year (NTE 20%) automatic increases in local currency expenses, such as revisions to pay scales and devaluation/inflation-induced adjustments in telephone costs, utilities, etc.

The total of \$11.0 thousand in OE travel funds for FY 1999 provided by decision of the June 1998 DAEC review was exhausted by December 1998. USAID/Mexico had to borrow from other OE categories, in order to meet minimum requirements (such as sending staff for required training, TDY from a IRM technician to upgrade Mission computer systems to comply with Y2K issues, etc.). In addition, the Mission's greatly increased responsibility for growing bilateral and regional programs leaves us extremely vulnerable in meeting the Agency's basic management oversight and controls requirements. We have discussed this with our regional support Mission in El Salvador; and a new service agreement has been drafted, which requires travel by regional personnel to provide legal, financial and procurement support to USAID/Mexico. The estimated additional OE required for this support is approximately \$20,000, beginning in FY 1999.

Office space: USAID/Mexico plans to relocate in May 1999 from its present 1,711 square foot space in the Chancery to a new space on the same floor. The new space (4,833 square feet) is adequate to meet Federal space requirements for the Mission staff, with strict accountability for cost sharing between OE- and program-funded activities. The total cost of the move, estimated at \$250,000, will be funded with an estimated \$150,000 in program funds and \$100,000 from Operating Expenses.

Impact of FY 2000 and FY 2001 OE Targets. At the established target level of \$550,000 for FY 2000 and FY 2001, USAID/Mexico estimates that there will be a negative impact on overall office operations that will not permit us to absorb automatic increases (NTE 25%) in almost all local currency expenses, including revisions to local pay scales, required by the Embassy.

Based on internal control assessments, USAID/Washington reviews, and a recent IG performance audit, USAID/Mexico estimates a need for FY 2000 of \$20.0 to cover travel from the support staff from USAID/El Salvador plus \$15.0 for training travel to upgrade the financial, accounting, and contract skills of Mission staff. An additional \$15.0 will be needed to absorb the local currency increases.

The total increase requested for FY 2000 from the Target Level to the Request Level is of \$50.0.

For FY 2001, USAID/Mexico estimates a similar increase in the above-mentioned line items. The total increase requested for FY 2001 from the Target Level to the Request Level is of \$85.0.

Workforce (see Tables 3 and 4): USAID was granted an increase to 8 OE-funded and 13 program-funded staff at its June 1998 review. Recruitment is underway. We expect to reach full staffing by May or June 1999.

Program-Funded Workforce: The program-funded workforce matches the expected program levels, and will remain stable at 13 people through FY 2001. OE cost implications are related to increased-management control responsibilities, as discussed above.

## **D. Pipelines**

SO1 and SO2: The ENV program has agile implementation in almost all of its activities and has no pipeline problem. USAID/Mexico is currently working on the initial disbursements under the Mexico Fires Program, which is the only large disbursement still pending from FY 1998.

SO3: The Democracy program has no FY 1998 pipeline, and FY 1999 pipelines will be limited. Given these limitations, the program is vulnerable and it is essential that additional FY 1999 funds be obtained.

SO4: The HIV/AIDS program has no significant FY 1998 pipeline.

SO5: As mentioned in the description of the new special objective on development cooperation, any residual funding from the completed family planning SO will be used to bring Central American NGOs more actively into contact with Mexican NGO and governmental agencies in the areas of family planning and reproductive health.

## **E. Global Field Support Table**

See Table 5.

## **F. Y2K**

USAID Mexico has verified that the Mission and those of its partners that are within USAID's span of control are Y2K compliant, or are not sufficiently automated to need Y2K assistance.

Mission. The USAID/Mexico Mission is internally prepared to meet the new millennium and does not foresee any Y2K related problems for hardware and software. New equipment and software installed in January 1999 more than adequately helped us meet these needs.

Implementation of New Standard for Software and Hardware and Servicing: USAID has installed Windows 95 as its desktop operating system and Windows NT for the file/print and WEB services. In FY 1998, USAID/Mexico procured two NT certified servers (one as a backup), and other hardware and software. These servers run parallel to our current Banyan system until USAID upgrades its electronic mail service. This standard exceeds Y2K requirements. USAID/Mexico is recruiting a part-time systems manager who will insure that internal computer systems are kept up to standard.

Partners. The USAID/Mexico Mission has no responsibility toward partners to help them financially with upgrades for their systems. However, we have provided education and guidance in the form of a Y2K team of experts who met with partners in early December 1998. In detailed interviews and formal surveying it was noted that most partners were aware of the Y2K problem and had plans in place to solve their internal problems. Most had already upgraded software and hardware. The smaller NGOs presented information that assured USAID/Mexico they will have solved the millennium bug problem by early 1999. Larger government controlled agencies also

seem to have plans in place and in many cases were in testing/implementation stages of Y2K problem.

Major areas of concern for Y2K implementation include disaster relief, particularly in the volcano early warning systems throughout Mexico, and in the banking sector. Many NGOs reported banking officials have not provided them with adequate answers concerning upgrades necessary for existing systems.

#### **G. ICASS**

A proforma invoice prepared by the Embassy on 10/12/99 has an estimated ICASS charge of \$43,000 for OE for USAID/Mexico. However, the ICASS charge does not include the estimated increase amount for the larger space that USAID will occupy in May 1999.

#### **H. Voluntary Foreign National Separation Account**

The Voluntary Foreign National Separation Account (Table 6) is fully-funded for all FSN employees as of September 30, 1999. No trust funds are available to USAID/Mexico.

# **FINANCIAL TABLES**

# FY 1999 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: DA/CSD

Scenario: Base Level

O. # , Title		FY 1999 Request													Est. S.O.	Est. S.O.
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G	Expendi- tures	Pipeline End of FY 99
SO 1: CRITICAL ECOSYSTEMS AND BIOLOGICAL RESOURCES CONSERVED																
	Bilateral	2,472											2,472		2,019	
	Field Spt	1,700											1,700		1,658	
		4,172	0	0	0	0	0	0	0	0	0	0	4,172	0	3,677	0
SO 2: CARBON DIOXIDE EMISSIONS AND POLLUTION REDUCED																
	Bilateral	2,945											2,945		2,484	
	Field Spt	0														
		2,945	0	0	0	0	0	0	0	0	0	0	2,945	0	2,484	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY																
	Bilateral	300												300	230	70
	Field Spt	0														
		300	0	0	0	0	0	0	0	0	0	0	0	300	230	70
SO 4: ENHANCED ACCESS, QUALITY, AND SUSTAINABILITY OF HIV/AIDS SERVICES AND INFORMATION FOR VULNERABLE POPULATION IN TARGETED AREAS																
	Bilateral	200									200				200	
	Field Spt	850									850				650	
		1,050	0	0	0	0	0	0	0	0	1,050	0	0	0	850	0
SO 5: NEW T/B ACTIVITY																
	Bilateral	500								500						
	Field Spt	500								500						
		1,000	0	0	0	0	0	0	0	1,000	0	0	0	0	0	0
SO 6:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		6,417	0	0	0	0	0	0	0	500	200	0	5,417	300	4,933	70
Total Field Support		3,050	0	0	0	0	0	0	0	500	850	0	1,700	0	2,308	0
<b>TOTAL PROGRAM</b>		<b>9,467</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,050</b>	<b>0</b>	<b>7,117</b>	<b>300</b>	<b>7,241</b>	<b>70</b>

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	300
HCD	0
PHN	2,050
Environment	7,117
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	9,467
Dev. Assist ICASS	
Dev. Assist Total:	9,467
CSD Program	500
CSD ICASS	
CSD Total:	500

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1



# FY 2000 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: DA/CSD  
Scenario: Request Level

O. # , Title																
		FY 2000 Request													Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 00
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1: CRITICAL ECOSISTEMS AND BIOLOGICAL RESOURCES CONSERVED															Year of Final Oblig: 06	
	Bilateral	4,718											4,718		4,000	
	Field Spt	1,850											1,850		1,000	
		6,568	0	0	0	0	0	0	0	0	0	0	6,568	0	5,000	0
SO 2: CARBON DIOXIDE EMISSIONS AND POLLUTION REDUCED															Year of Final Oblig: 06	
	Bilateral	2,432											2,432		1,500	
	Field Spt	0														
		2,432	0	0	0	0	0	0	0	0	0	0	2,432	0	1,500	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY															Year of Final Oblig: 03	
	Bilateral	750												750	550	200
	Field Spt	0														
		750	0	0	0	0	0	0	0	0	0	0	0	750	550	200
SO 4: ENHANCED ACCESS, QUALITY, AND SUSTAINABILITY OF HIV/AIDS SERVICES AND INFORMATION FOR VULNERABLE POPULATIONS IN TARGETED AREAS															Year of Final Oblig: 03	
	Bilateral	250									250					
	Field Spt	950									950					
		1,200	0	0	0	0	0	0	0	0	1,200	0	0	0	0	0
SO 5: NEW T/B ACTIVITY															Year of Final Oblig: 03	
	Bilateral	300								300						
	Field Spt	200								200						
		500	0	0	0	0	0	0	0	500	0	0	0	0	0	0
SO 6:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		8,450	0	0	0	0	0	0	0	300	250	0	7,150	750	6,050	200
Total Field Support		3,000	0	0	0	0	0	0	0	200	950	0	1,850	0	1,000	0
TOTAL PROGRAM		11,450	0	0	0	0	0	0	0	500	1,200	0	9,000	750	7,050	200

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	750
HCD	0
PHN	1,700
Environment	9,000
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	11,450
Dev. Assist ICASS	
Dev. Assist Total:	11,450
CSD Program	200
CSD ICASS	
CSD Total:	200

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 2001 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: DA/CSD  
Scenario: Request Level

O. # , Title		FY 2001 Request													Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 01	Future Cost (POST- 2001)
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: CRITICAL ECOSYSTEMS AND BIOLOGICAL RESOURCES CONSERVED																Year of Final Oblig:	
	Bilateral	995											995				
	Field Spt	1,850											1,850				
		2,845	0	0	0	0	0	0	0	0	0	0	2,845	0	0	0	
SO 2: CARBON DIOXIDE EMISSIONS AND POLLUTION REDUCED																Year of Final Oblig:	
	Bilateral	1,830											1,830				
	Field Spt	1,300											1,300				
		3,130	0	0	0	0	0	0	0	0	0	0	3,130	0	0	0	
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY																Year of Final Oblig:	
	Bilateral	750												750	550	200	
	Field Spt	0															
		750	0	0	0	0	0	0	0	0	0	0	0	750	550	200	
SO 4: ENHANCED ACCESS, QUALITY, AND SUSTAINABILITY OF HIV/AIDS SERVICES AND INFORMATION FOR VULNERABLE POPULATIONS IN TARGETED AREAS																Year of Final Oblig:	
	Bilateral	250									250						
	Field Spt	950									950						
		1,200	0	0	0	0	0	0	0	0	1,200	0	0	0	0	0	
SO 5: NEW T/B ACTIVITY																Year of Final Oblig:	
	Bilateral	300								300							
	Field Spt	200								200							
		500	0	0	0	0	0	0	0	500	0	0	0	0	0	0	
SO 6:																Year of Final Oblig:	
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																Year of Final Oblig:	
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																Year of Final Oblig:	
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral		4,125	0	0	0	0	0	0	0	300	250	0	2,825	750	550	200	
Total Field Support		4,300	0	0	0	0	0	0	0	200	950	0	3,150	0	0	0	
TOTAL PROGRAM		8,425	0	0	0	0	0	0	0	500	1,200	0	5,975	750	550	200	

FY 01 Request Agency Goal Totals	
Econ Growth	0
Democracy	750
HCD	0
PHN	1,700
Environment	5,975
Program ICASS	0
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	8,425
Dev. Assist ICASS	
Dev. Assist Total:	8,425
CSD Program	200
CSD ICASS	
CSD Total:	200

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 1999 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: ESF  
Scenario: Request Level

O. # , Title		FY 1999 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY																
	Bilateral	1,500												1,500	900	600
	Field Spt	0														
		1,500	0	0	0	0	0	0	0	0	0	0	0	1,500	900	600
SO 4:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		1,500	0	0	0	0	0	0	0	0	0	0	0	1,500	900	600
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		1,500	0	0	0	0	0	0	0	0	0	0	0	1,500	900	600

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	1,500
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	1,500
Dev. Assist ICASS	
Dev. Assist Total:	1,500
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 2000 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: ESF  
Scenario: Request Level

O. # , Title		FY 2000 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY																Year of Final Oblig: 03
	Bilateral	2,000												2,000	1,200	800
	Field Spt	0														
		2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	1,200	800
SO 4:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	1,200	800
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	1,200	800

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	2,000
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	2,000
Dev. Assist ICASS	
Dev. Assist Total:	2,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 2001 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: ESF  
Scenario: Request Level

O. # , Title																	
		FY 2001 Request												Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 01	Future Cost (POST- 2001)	
Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G				
SO 1:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 2:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY															Year of Final Oblig:		
Bilateral Field Spt	2,000 0 2,000												2,000	1,200	800		
	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	1,200	800	0	
SO 4:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 5:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 6:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:															Year of Final Oblig:		
Bilateral Field Spt	0 0 0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	1,200	800	0	
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PROGRAM	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	1,200	800		

FY 01 Request Agency Goal Totals	
Econ Growth	0
Democracy	2,000
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	2,000
Dev. Assist ICASS	
Dev. Assist Total:	2,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 1999 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: INL  
Scenario: Request Level

O. # , Title		FY 1999 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY																
	Bilateral	1,000												1,000	250	750
	Field Spt	0														
		1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	250	750
SO 4:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	250	750
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	250	750

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	1,000
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	1,000
Dev. Assist ICASS	
Dev. Assist Total:	1,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 2000 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: INL  
Scenario: Request Level

O. # , Title		FY 2000 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY																Year of Final Oblig: 03
	Bilateral	1,000												1,000	500	500
	Field Spt	0														
		1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	500	500
SO 4:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																Year of Final Oblig:
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	500	500
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	500	500

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	1,000
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	1,000
Dev. Assist ICASS	
Dev. Assist Total:	1,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1

# FY 2001 Budget Request by Program/Country

Program/Country: US AID/Mexico

22-Mar-99

02:05 PM

Approp Acct: INL  
Scenario: Request Level

O. # , Title																
		FY 2001 Request												Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 01	Future Cost (POST- 2001)
Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 3: STRENGTHENED AND MORE RESPONSIVE DEMOCRATIC INSTITUTIONS AND CITIZENRY														Year of Final Oblig:		
Bilateral Field Spt	1,000 0 1,000												1,000	1,000	500	
	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	500	
SO 4:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 5:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:														Year of Final Oblig:		
Bilateral Field Spt	0 0 0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	500	0
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	500	

FY 01 Request Agency Goal Totals	
Econ Growth	0
Democracy	1,000
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	1,000
Dev. Assist ICASS	
Dev. Assist Total:	1,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account  
Tables for DA and CSD may be combined on one table.  
For the DA/CSD Table, columns marked with (\*) will be funded from the CSD Account

Table 1



Operating Expenses

Org. Title: USAID/MEXICO Org. No: 523		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	96		96	110		110	110		110	115		115	115		115
	Subtotal OC 11.1	96	0	96	110	0	110	110	0	110	115	0	115	115	0	115
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH	0		0	0		0	0		0	0		0	0		0
11.5	FNDH	38		38	44		44	44		44	47		47	47		47
	Subtotal OC 11.5	38	0	38	44	0	44	44	0	44	47	0	47	47	0	47
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	23		23	0		0	0		0	0		0	0		0
11.8	FN PSC Salaries	70.5		70.5	85		85	85		85	87		87	87		87
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 11.8	93.5	0	93.5	85	0	85	85	0	85	87	0	87	87	0	87
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	9		9	10		10	10		10	11		11	12		12
12.1	Cost of Living Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Home Service Transfer Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Quarters Allowances	0		0	0		0	0		0	0		0	0		0
12.1	Other Misc. USDH Benefits	2.4		2.4	2.5		2.5	2.5		2.5	2		2	2		2
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	22		22	23		23	23		23	24		24	24		24
12.1	Other FNDH Benefits	39		39	47.8		47.8	47.8		47.8	49		49	49		49
12.1	US PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSCs	13		13	16		16	16		16	18		18	18		18
12.1	Other FN PSC Benefits	0		0	0		0	0		0	0		0	0		0
12.1	IPA/Detail-In/PASA/RSSA Benefits	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 12.1	85.4	0	85.4	99.3	0	99.3	99.3	0	99.3	104	0	104	105	0	105
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH	0		0	0		0	0		0	0		0	0		0
13.0	Other Benefits for Former Personnel - FNDH	0		0	0		0	0		0	0		0	0		0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs	0		0	0		0	0		0	0		0	0		0
13.0	Other Benefits for Former Personnel - FN PSCs	0		0	0		0	0		0	0		0	0		0

**Table 2**

**Operating Expenses**

Subtotal OC 13.0		0	0	0	0	0	0	0	0	0	0	0	0	0		
21.0	Travel and transportation of persons	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
21.0	Training Travel	5.5	5.5	4	4	6	6	2	2	5	5					
21.0	Mandatory/Statutory Travel	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
21.0	Post Assignment Travel - to field	0	0	0	0	0	0	0	0	0	0					
21.0	Assignment to Washington Travel	0	0	0	0	0	0	0	0	0	0					
21.0	Home Leave Travel	1	1	1	1	1	1	1	1	3	3					
21.0	R & R Travel	1	1	1	1	1	1	1	1	4	4					
21.0	Education Travel	0	0	0	0	0	0	0	0	0	0					
21.0	Evacuation Travel	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1					
21.0	Retirement Travel	0	0	0	0	0	0	0	0	0	0					
21.0	Pre-Employment Invitational Travel	0	0	0	0	0	0	0	0	0	0					
21.0	Other Mandatory/Statutory Travel	0	0	0	0	3	3	0	0	4	4					
21.0	Operational Travel	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
21.0	Site Visits - Headquarters Personnel	10	10	2	2	8	8	0	0	12	12					
21.0	Site Visits - Mission Personnel	8.5	8.5	2	2	10	10	0	0	9	9					
21.0	Conferences/Seminars/Meetings/Retreats	7.5	7.5	3	3	8	8	1	1	8	8					
21.0	Assessment Travel	3	3	1	1	8	8	1	1	6	6					
21.0	Impact Evaluation Travel	0	0	0	0	0	0	0	0	0	0					
21.0	Disaster Travel (to respond to specific disasters)	0	0	0	0	2	2	0	0	0	0					
21.0	Recruitment Travel	5	5	0	0	0	0	0	0	0	0					
21.0	Other Operational Travel	0	0	4	4	11.5	11.5	1	1	10	10					
Subtotal OC 21.0		42	0	42	18.5	0	18.5	59	0	59	7.5	0	7.5	62	0	62
		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
22.0	Transportation of things	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
22.0	Post assignment freight	0	0	0	0	0	0	0	0	0	0					
22.0	Home Leave Freight	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1	1					
22.0	Retirement Freight	0	0	0	0	0	0	0	0	0	0					
22.0	Transportation/Freight for Office Furniture/Equip.	1	1	1	1	1	1	1	1	1	1					
22.0	Transportation/Freight for Res. Furniture/Equip.	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1	1					
Subtotal OC 22.0		2	0	2	2	0	2	2	0	2	3	0	3	3	0	3
		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
23.2	Rental payments to others	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
23.2	Rental Payments to Others - Office Space	0	0	0	0	0	0	0	0	0	0					
23.2	Rental Payments to Others - Warehouse Space	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5					
23.2	Rental Payments to Others - Residences	66	66	70	70	70	70	72	72	72	72					
Subtotal OC 23.2		66.5	0	66.5	70.5	0	70.5	70.5	0	70.5	72.5	0	72.5	72.5	0	72.5
		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line				
23.3	Office Utilities	2.5	2.5	4	4	4	4	5	5	5	5					
23.3	Residential Utilities	2.8	2.8	3	3	3	3	3	3	3	3					
23.3	Telephone Costs	4.5	4.5	5	5	5	5	6	6	6	6					
23.3	ADP Software Leases	0	0	0	0	0	0	0	0	0	0					

**Table 2**

**Operating Expenses**

23.3	ADP Hardware Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Commercial Time Sharing	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Postal Fees (Other than APO Mail)	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Other Mail Service Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
23.3	Courier Services	0.5	0.5	1	1	1	1	1	1	1	1	1	1	1
	Subtotal OC 23.3	10.3	0	10.3	13	0	13	13	0	13	15	0	15	15
24.0	Printing and Reproduction	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0	0	0	0	5	5	0	0	0	0	0	0	0
25.1	Management & Professional Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0
25.1	Engineering & Technical Services	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.1	0	0	0	0	0	0	5	0	5	0	0	0	0
25.2	Other services	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
25.2	Office Security Guards	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Residential Security Guard Services	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Official Residential Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Representation Allowances	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
25.2	Non-Federal Audits	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Grievances/Investigations	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Insurance and Vehicle Registration Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Vehicle Rental	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Manpower Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Records Declassification & Other Records Services	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Recruiting activities	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Penalty Interest Payments	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Other Miscellaneous Services	0	0	0	0	0	0	0	0	0	0	0	0	0
25.2	Staff training contracts	1.5	1.5	0	0	0	0	0	0	0	0	0	0	0
25.2	ADP related contracts	1	1	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.2	2.7	0	2.7	0.2	0	0.2	0.2	0	0.2	0.2	0	0.2	0.2
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
25.3	ICASS	70	70	75	75	78	78	79	79	83	83	83	83	83
25.3	All Other Services from Other Gov't. accounts	0	0	0	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.3	70	0	70	75	0	75	78	0	78	79	0	79	83
25.4	Operation and maintenance of facilities	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		
25.4	Office building Maintenance	1.5	1.5	2	2	2	2	1.8	1.8	2	2	2	2	2
25.4	Residential Building Maintenance	2	2	3	3	3	3	3	3	3	3	3	3	3
	Subtotal OC 25.4	3.5	0	3.5	5	0	5	5	0	5	4.8	0	4.8	5

**Table 2**

**Operating Expenses**

25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line	
25.7	ADP and telephone operation and maintenance costs	6	6	10	10	10	10	8	8	8	8
25.7	Storage Services	0	0	0	0	0	0	0	0	3	3
25.7	Office Furniture/Equip. Repair and Maintenance	2	2	0	0	0	0	0	0	0	0
25.7	Vehicle Repair and Maintenance	3	3	5	5	5	5	4	4	5	5
25.7	Residential Furniture/Equip. Repair and Maintenance	2.5	2.5	3	3	3	3	1	1	3	3
	Subtotal OC 25.7	13.5	0	13.5	18	0	18	18	0	13	19
25.8	Substance & spt. of persons (by contract or Gov't.)	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	3	3	5	5	5	5	2	2	5	5
	Subtotal OC 26.0	3	0	3	5	0	5	2	0	2	5
31.0	Equipment	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line	
31.0	Purchase of Residential Furniture/Equip.	0	0	0	0	0	0	0	0	4	4
31.0	Purchase of Office Furniture/Equip.	1.6	1.6	0	0	0	0	0	0	3	3
31.0	Purchase of Vehicles	0	0	0	0	0	0	0	0	0	0
31.0	Purchase of Printing/Graphics Equipment	0	0	0	0	0	0	0	0	0	0
31.0	ADP Hardware purchases	2.5	2.5	2.5	2.5	3	3	0	0	5	5
31.0	ADP Software purchases	1.5	1.5	2	2	3	3	0	0	4.3	4.3
	Subtotal OC 31.0	5.6	0	5.6	4.5	0	4.5	6	0	0	16.3
32.0	Lands and structures	Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line		Do not enter data on this line	
32.0	Purchase of Land & Buildings (& bldg. construction)	0	0	0	0	0	0	0	0	0	0
32.0	Purchase of fixed equipment for buildings	0	0	0	0	0	0	0	0	0	0
32.0	Building Renovations/Alterations - Office	18	18	0	0	0	0	0	0	0	0
32.0	Building Renovations/Alterations - Residential	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 32.0	18	0	18	0	0	0	0	0	0	0
42.0	Claims and indemnities	0	0	0	0	0	0	0	0	0	0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BUDGET</b>		<b>550</b>	<b>0</b>	<b>550</b>	<b>550</b>	<b>0</b>	<b>550</b>	<b>600</b>	<b>0</b>	<b>550</b>	<b>635</b>

**Additional Mandatory Information**

**Dollars Used for Local Currency Purchases**

410

420

435

425

440

**Exchange Rate Used in Computations**

10.5 \_\_\_\_\_

12 \_\_\_\_\_

12 \_\_\_\_\_

13.5 \_\_\_\_\_

13.5 \_\_\_\_\_

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal:

35

39

39

42

42

**Table 2**

Workforce Tables

Org: USAID/Mexico End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 1999 Estimate</b>	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
<b>OE Funded: 1/</b>																
U.S. Direct Hire	0.5	0.5						1	1						1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0	1	0.5	0.5			1	3	3
Other FSN/TCN								0		1				2	3	3
Subtotal	0.5	0.5	0	0	0	0	0	1	2	1.5	0.5	0	0	3	7	8
<b>Program Funded 1/</b>																
U.S. Citizens	1	1	2	1	1			6							0	6
FSNs/TCNs	2	1	2	0.5	0.5			6						1	1	7
Subtotal	3	2	4	1.5	1.5	0	0	12	0	0	0	0	0	1	1	13
Total Direct Workforce	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21

1/ Excludes TAACS, Fellows, and IDIs

**Table 3**

Workforce Tables

	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2000 Target</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	0.5	0.5						1	1						1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0	1	0.5	0.5			1	3	3
Other FSN/TCN								0		1				2	3	3
Subtotal	0.5	0.5	0	0	0	0	0	1	2	1.5	0.5	0	0	3	7	8
<b>Program Funded 1/</b>																
U.S. Citizens	1	1	2	1	1			6							0	6
FSNs/TCNs	2	1	2	0.5	0.5			6						1	1	7
Subtotal	3	2	4	1.5	1.5	0	0	12	0	0	0	0	0	1	1	13
Total Direct Workforce	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21

<b>FY 2000 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	0.5	0.5						1	1						1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0	1	0.5	0.5			1	3	3
Other FSN/TCN								0		1				2	3	3
Subtotal	0.5	0.5	0	0	0	0	0	1	2	1.5	0.5	0	0	3	7	8
<b>Program Funded 1/</b>																
U.S. Citizens	1	1	2	1	1			6							0	6
FSNs/TCNs	2	1	2	0.5	0.5			6						1	1	7
Subtotal	3	2	4	1.5	1.5	0	0	12	0	0	0	0	0	1	1	13
Total Direct Workforce	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21
Org: USAID/Mexico End of year On-Board								Total SO/SpO	Org.	Fin.	Admin.	Con-		All	Total	Total

Workforce Tables

<b>FY 2001 Target</b>	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Staff	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff
<b>OE Funded: 1/</b>																
U.S. Direct Hire	0.5	0.5						1	1						1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0	1	0.5	0.5			1	3	3
Other FSN/TCN								0		1				2	3	3
Subtotal	0.5	0.5	0	0	0	0	0	1	2	1.5	0.5	0	0	3	7	8
<b>Program Funded 1/</b>																
U.S. Citizens	1	1	2	1	1			6							0	6
FSNs/TCNs	2	1	2	0.5	0.5			6						1	1	7
Subtotal	3	2	4	1.5	1.5	0	0	12	0	0	0	0	0	1	1	13
Total Direct Workforce	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21

<b>FY 2001 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	0.5	0.5						1	1						1	2
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0	1	0.5	0.5			1	3	3
Other FSN/TCN								0		1				2	3	3
Subtotal	0.5	0.5	0	0	0	0	0	1	2	1.5	0.5	0	0	3	7	8
<b>Program Funded 1/</b>																
U.S. Citizens	1	1	2	1	1			6							0	6
FSNs/TCNs	2	1	2	0.5	0.5			6						1	1	7
Subtotal	3	2	4	1.5	1.5	0	0	12	0	0	0	0	0	1	1	13
Total Direct Workforce	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	3.5	2.5	4	1.5	1.5	0	0	13	2	1.5	0.5	0	0	4	8	21

Workforce-USDH

MISSION :

USAID/Mexico

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01SMG	1	1	1	1
02 Program Officer				
03 EXO				
04 Controller				
05/06/07 Secretary				
10 Agriculture				
11 Economics				
12 GDO				
12 Democracy				
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment				
50 Health/Pop.				
60 Education				
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other* Deputy M.D.	1	1	1	1
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

\*please list occupations covered by other if there are any

**Table 4**



## GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1999		FY 2000		FY 2001	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
HIV/AIDS	936-3078 The POLICY Project	HIGH	5 Years		240		300		350
HIV/AIDS	936-3090.02 Implementing AIDS Prev./Control Activs. (IMPACT)	HIGH	5 Years				220		250
HIV/AIDS	936-3090.07 International HIV/AIDS Alliance	HIGH	5 Years				150		200
HIV/AIDS	936-3083.01 MEASURE DHS+	HIGH	5 Years				200		150
ENV/EET	--- Policy and Regulatory Support in the Electric Sector and Sup	MEDIUM	3 Years		1,000		1,500		2,000
ENV	936-5861 Innovative Scientific Research-American Assoc. for	HIGH	3 Years	150		150		150	
ENV	936-5554 Neotropical Migratory Bird Conservation	MEDIUM	ongoing	50	50	50	50	50	50
ENV	936-5518 Coastal Resources Management	HIGH	5 Years	350	100	550	150	550	150
ENV	936-5554 Conservation of Biological Diversity	HIGH	3 Years	617	50	241	50	300	50
ENV	936-5743 Energy Efficiency	HIGH	3 Years	884		1,630		1,455	
ENV	598-0782 Parks in Peril (LAC)	HIGH	5 Years	800	0	600	0	600	0
ENV	- - - Development Credit Authority	HIGH	?		0	200	1,350	200	1,200
ENV	523-4015 Mexico Fires Program	HIGH	3 Years	2,210	500	1,760	TBD	1,780	TBD
<b>GRAND TOTAL.....</b>				<b>5,061</b>	<b>1,940</b>	<b>5,181</b>	<b>3,970</b>	<b>5,085</b>	<b>4,400</b>

\* For Priorities use high, medium-high, medium, medium-low, low

Table 5

Orgno:. 25523  
 Org. Title: USAID/Mexico

**Foreign National Voluntary Separation Account**

Action	FY 99			FY 00			FY 01		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	35.0	20.0	55.0	39.0	22.0	61.0	42.0	25.0	67.0
Withdrawals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Unfunded Liability (if any)  
 at the end of each FY.

**Local Currency Trust Funds - Regular (\$000s)**

	FY 99	FY 00	FY 01
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate(s) Used

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

**Local Currency Trust Funds - Real Property (\$000s)**

	FY 98	FY 99	FY 00
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

**Trust Funds in Dollar Equivalents, not in Local Country Equivalents**

# **SUPPLEMENTAL INFORMATION**

## **ANNEXES**

## **Supplemental Information Annex A Environmental Impact**

### **Strategic Objective 1: Critical Ecosystems and Biological Resources Conserved and Strategic Objective 2: Carbon Dioxide Emissions and Pollution Reduced**

In March of 1998 LAC/DR/E and USAID/M reviewed and approved a revised Initial Environmental Examination for the Mexico Environmental Management Project (No. 523-4011). This umbrella environmental project currently serves as the obligating instrument for all Mission environment activities (SO1 + SO2). Implementation of the determinations of this IEE are ongoing. Since that time there have been two major changes in the structure of the environment program of USAID/Mexico. First, the Program has been split into two SOs, as described in this R4. Second, the Mexico Fires Program has been added to the portfolio, giving rise to a number of training, technical assistance, planning/policy, and field activities for wildfire prevention and recovery. Based on these changes, USAID/M requests guidance from LAC/DR/E on how to update this IEE to maintain compliance.

### **Strategic Objective 3: More Democratic Processes Adopted in Key Government Institutions**

The Mission Director has determined that these activities qualify for a categorical exclusion because they do not have an effect on the natural and physical environment and fall into the categories of technical assistance and training. We will submit this determination in writing by April 30, 1999 to the Bureau Environmental Officer for their review to assure we are in compliance with USAID environmental guidelines as stipulated in 22CFR216.

### **Strategic Objective 4: Enhanced quality and sustainability of HIV/AIDS/STI services in target areas**

The Mission Director has determined that these activities qualify for a categorical exclusion because they do not have an effect on the natural and physical environment and fall into the categories of technical assistance, training, and research. We will submit this determination in writing by April 30, 1999 to the Bureau Environmental Officer for their review to assure we are in compliance with USAID environmental guidelines as stipulated in 22CFR216.

## **Supplemental Information Annex B**

### **Updated Results Frameworks**

#### **SO 1: Critical Ecosystems and Biological Resources Conserved**

- IR 1.1** Improved Management of Target Protected Areas and Other Critical Ecosystems
- IR 1.2** Demonstration and Implementation of Sustainable Use Activities in Biologically Important Areas
- IR 1.3** Improved Policy Framework for Conservation and Sustainable Use of Biological Resources
- IR 1.4** Improved Mexican NGO and Professional Capability for Conservation and Sustainable Use of Resources
- Sub-IR 1.4.1** Mexican Nature Conservation Fund Fully Operational and Fulfilling its Environmental Mandate

#### **SO 2: Carbon Dioxide Emissions and Pollution Reduced**

- IR 2.1** Adoption of Resource Management Systems (RMS) and Renewable Energy Technologies and Practices in Targeted Industries and Municipalities (Replication and Continued Use of the Technologies and Practices Promoted by USAID and its Partners).
- Sub-IR 2.1.1** Viability of Resource Management Systems (RMS) Technologies Demonstrated at the Pilot Level.
- Sub-IR 2.1.2** Viability of Renewable Energy Technologies Demonstrated at the Pilot Project Level.
- Sub-IR 2.1.3** Selected Policies in Place that Promote the Use of RMS and Renewable Energy Technologies.
- Sub-IR 2.1.4** Improved Mexican Institutional Capacity for RMS and Renewable Energy Development.
- Sub-IR 2.1.5** Financing Available for Adoption of RMS and Renewable Energy Technologies from Private Sector, the GOM and Other Donors. (Independent of USAID assistance).

#### **SO 3: More Democratic Processes Adopted in Key Government Institutions**

- IR 3.1** More Effective Local Governance in Target Areas

- IR 3.1.1** Increased Municipal Capacity to Deliver Services
- IR 3.1.2** Mechanisms for citizen participation developed
- IR 3.1.3** Increased availability of information concerning government functions and citizens' responsibilities
- IR 3.1.4** Increased sustainability of target CSOs
- IR 3.2** Permanent Structures Strengthened to Enhance Congress' Legislative Function
- IR 3.2.1** Existence of a multi-party process to further strengthen the legislative function
- IR 3.2.2** Increased access to information for lawmaking and legislative analysis
- IR 3.3** Intermediate Result 3.3: More Efficient Administration of Justice in Target State Courts
- IR 3.3.1** Increased access to justice
- IR 3.3.2** Professionalization of judges

#### **SO 4: Enhanced quality and sustainability of HIV/AIDS/STI services in target areas**

**Previous:** Enhanced access, quality and sustainability of HIV/AIDS/STI services and information for vulnerable populations in targeted areas

**IR 4.1** Improved HIV/AIDS/STI policy environment at the national and sub-national level

**Current IR 4.2:** Increased capacity of governmental and non-governmental partners to deliver HIV/AIDS/STI services

**Previous:** Increased capacity of governmental and non-governmental partners to deliver HIV/AIDS/STI services and information

#### **SO 5: Sustainable increase in contraceptive prevalence**

**IR 1:** Increased availability of quality family planning services in target areas.

**IR2:** Increased use of family planning services in target areas

**IR 3:** Increased sustainability of family planning delivery systems in target areas.

**Supplemental Information Annex C**  
**USAID Global Climate Change Initiative Indicators**  
Report from USAID/Mexico for FY 1998

**Overview of Mexico and Global Climate Change**

Mexico is a key country in the USAID effort to mitigate global climate change; it ranks third among developing countries in GHG emissions, is intricately tied to the US environmentally and politically, and USAID has a strong relationship with both the private and public sectors in the country. Mexico's energy sector accounts for approximately 2/3 of Mexico's emissions and the other 1/3 is emitted by land use change activities. Mexico is an energy rich country with a strong manufacturing sector. Energy is cheap so there are few incentives for energy efficiency. In fact, Mexico's energy consumption based on its GDP is one of the highest among industrialized countries, being 2 to 4 times that of the US and Canada.

Mexico is also a biologically diverse country that sequesters a large amount of carbon in its 34 million hectares of forest. However, little of that forested land is under protection or is being managed sustainably so the country's rich carbon stores are being rapidly lost.

The new USAID country strategy recognizes the importance of controlling emissions from the energy sector as well as the protection and enhancement of carbon sinks on the land to helping Mexico mitigate climate change. The mission has established an environmental program with two strategic objectives in line with the current objectives of the USAID GCC Initiative—to conserve critical ecosystems and to reduce the CO<sub>2</sub> emissions and pollution. To accomplish these objectives, the mission will continue to work primarily through institutional strengthening and the use demonstration projects that help reinforce the benefits of energy and land use approaches. The mission draws on the rich source of technical expertise within Mexico itself to accomplish its programs and relies on its close relationship with counterparts in the Mexican government, the NGO community and the private sector.

The proximity of Mexico to the US creates a special relationship between the countries. Decisions made in either country are likely to impact the other. This fact was dramatically illustrated last summer when forest fires in Southern Mexico created health problems that extended well into the Southern US. Mexico and the US are linked by many bilateral agreements, including a mutual objectives to sustainable energy use, biodiversity partnership and pollution prevention. To accomplish the objectives of this bilateral relationship the USAID mission must work in collaboration with numerous US government agencies within Mexico.

**Program Performance**

Land use change and forestry activity account for 1/3 of Mexico GHG emissions; therefore, for Mexico to succeed in mitigating climate change it must manage sinks for carbon sequestration. The most effective means to lower emissions from land use is keep trees in place. To that end, USAID has been working to lower the rate of deforestation through its strong forest conservation program that supports demonstration sites in critical areas throughout Mexico. The Mexico Parks-in-Peril Program, which alone has helped protect over 1.6 million hectares of forests, is recognized as one of the most successful conservation programs in Latin America. Through PiP, the mission has been able to strengthen local NGO's to aid in reducing the impact of human use of natural resources and to conserve critical habitats. The mission was also instrumental in establishing the Mexican Nature Conservation Fund to help strengthen research and local efforts in conservation. This year there are more than 50 organizations and institutes working on conservation activities supported by this program. In addition, the mission has given technical and financial support to three projects accepted under the USIJI

program. One of these is a community forestry project in Oaxaca that combines sustainable forest and land use with forest conservation to conserve carbon.

The inexpensive energy supply in Mexico has provided few incentives for efficiency and created a large unmet potential for investment in energy efficiency, renewable energy and pollution prevention in all consumer sectors. Investments can pay for themselves through energy savings in a few months to a few years, however, many principles lack the capital for the initial investment. USAID has been working since 1994 with FIDE and CONAE on pilot projects that focus on testing and demonstration of economically viable resource management system (RMS) technologies in several energy intensive and high polluting industrial sectors. This program encourages a linkage between lessening pollution and increasing energy efficiency through high efficiency motors, compressors, pumps and lighting. More than half of the participants in this program have adopted a substantial amount of the RMS recommendations. Since 1993, USAID has worked to develop sustainable markets for rural productive-use applications of renewable energy technologies. To date, approximately 200 renewable energy systems have been installed in 10 Mexican states.

### **Key Results FY98**

Environmental factors in 1997 and 1998, including drought, heavy frosts and high urban pollution, led to a record number of fires and serious environmental and health concerns throughout Mexico and into the southern US. In some areas, large areas of forest were burned, emitting carbon to the atmosphere. Despite the destructive outcome of the 1997-98 El Nino, the result awakened people to what climate change could mean for Mexico and invigorated mitigation efforts. Both the US and Mexican governments have made substantial commitments, both of expertise and money, to formulate a program in wildfire prevention and land restoration. The benefits from this program for climate change will be twofold, to help conserve existing carbon sinks and to improve our capacity to re-establish sinks that have been lost.

USAID/ M has focus on introducing renewable energy systems and implementing (RMS) approaches to increase energy efficiency is estimated to have saved over 440,000 metric tons of CO<sub>2</sub> between 1994 and 1997. In FY 1998, USAID and CONAE finished a demonstration on efficient steam and combustion systems that showed a reduction of approximately 371,000 metric tons CO<sub>2</sub> emissions. Mexican partners will replicate the successful projects on a national scale with support from IDB and the World Bank. Application of renewable energy technologies also contributed significantly to mitigating carbon emissions and the energy savings provided by this program is expected to grow to 250 kW by the end of 1999. Mexico offers great promise for future energy gains. There is still enormous potential for climate change mitigation through energy efficiency and studies have shown that the Mexican private sector is willing to implement technologies if technical assistance is available and financial risk is reduced. Mexico also has good potential for expansion of wind, mini-hydro, geothermal and solar energy use throughout its rural sector.

### **Future Prospects:**

The future of the climate change effort by USAID/Mexico is very positive. USAID/M's new country strategy makes climate change an integral part of its portfolio. Several of the major objectives in both the energy and biodiversity sector were designed to align with the efforts by the Agency in climate change mitigation. The mission is also in the process of hiring new personnel to work specifically on climate change.

Mexico's strong stand to improve environmental conditions in both the rural and urban areas of the country will help the missions programs move forward. The effects of natural disasters this last year



have only strengthened Mexico's commitment and highlighted the importance of climate change to the overall environmental sector. The strong ties that the Mission has with agencies in the Mexican government puts them in a good position to help shape the direction of the climate change effort in Mexico. In addition, the MOU signed this year on US-Mexican cooperation in Central America sets the stage for the successes in Mexico to be disseminated throughout Central America.

The Mission expects to make substantial progress in line with the objective of the Agency's climate change initiative in the coming years. Several of the new indicators being developed in collaboration with its partners will allow it to more easily and effectively report on its progress in policy and in capacity building under the climate change initiative. The data for baselines for several of these indicators will not be finalized until the end of 1999; this will include capacity strengthening and policy work. In addition, USAID/M does not require reports from its partners on a hectare basis for its projects. The information is available, but the short timetable for reporting the GCC data for FY98 has made it impossible to obtain it all for the current report. Also, implementation of the Mexico Fires Program will have initiated by the end of FY99 and the Mission expects to substantial information to report from that program concerning climate change impacts. For these reasons, USAID/M expects to be able to more comprehensively detail our progress toward fulfilling USAID's commitment to climate change in the FY99 reporting round.

## RESULT 1: INCREASED PARTICIPATION IN THE FRAMEWORK CONVENTION ON CLIMATE CHANGE

### Indicator 1: Policy Development Supporting the Framework Convention on Climate Change

Instructions: Please report on each policy measure addressed with USAID support or as a result of USAID efforts. Check the policy steps (1, 2 and/or 3) **that have been achieved** for each policy measure and list the activity(ies) that contribute to achievement of the policy steps in the last column. Unit: Number of policy steps achieved

Country: Mexico  Policy Measure	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
	Step 1: Policy Preparation and Presentation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Integration of climate change into national strategic, energy, and sustainable development strategies	1	---	---	In FY 96 USAID/Mexico supported the creation of the Mexican Office for Promoting the Mitigation of Greenhouse Gas Emission (OFMGEI), developing the project "Support for a Climate Change National Plan for Mexico" Dec. 1997. This project has included up until now the analysis of 17 technologies that initially were going to be part of the GOM national strategy.
Emissions inventory and Mitigation analysis	1	---	---	Both the emissions inventory and the mitigation analysis were carried out jointly by INE through a study called "Definitions of the Mitigation Impact Potential". Initially, this study was sponsored by the EPA Country Studies Program and in a second phase USAID/Mexico supported this study with the creation of the (OFMGEI).
Vulnerability and adaptation analysis	1	---	---	INE will publish soon a book about Vulnerability Analysis in 7 areas; 1) agriculture; 2) human settlements; 3) forests and ecosystems; 4) drought and desertification; 5) industry and energy; 6) coastal zones, and 7) water resources, including estimations and models about climate variability and adaptability.
National Climate Change Action Plan	1	---	---	USAID provided support to INE from FY96 to FY98 under the study "Definitions of the Mitigation Impact Potential", including the analysis of 17 technologies. However, because of INE restructuring, and the creation of an inter-secretarial GCC committee, the collaboration was interrupted. GOM just announced (3/1/99) that Mexico's Nation Action Plan for GHG Mitigation will be published soon, including a hard won consensus of 11 concerned agencies.

Procedures for receiving, evaluating, and approving joint implementation (JI) proposals	1	---	---	There have been 2 JI proposals in which USAID/Mexico has given technical advice: 1) The Halophytes Project in Sonora (SRP); 2) The Oaxaca Forestry Project (CEC-funded prj.); and 1 in which USAID/Mexico has given both technical and financial support: 3) Renewable Energy Mini-Grid Project in BCS (APS, USAID/M, and DOE-funded project). GOM will integrate procedures for receiving, evaluating, and approving JI proposals under a future GOM-INE and WB-funded (~\$200k) Mexican GCC office.
Procedures for monitoring and verifying greenhouse gas emissions	1	---	---	This future GOM-INE official GCC office will have the mandate to establish procedures for monitoring and verifying greenhouse gas emissions of future GCC, JI or CDM programs.
Growth baselines for pegging greenhouse gas emissions to economic growth	---	---	---	Up until now, only academic analysis have been made. None GOM official growth baselines analysis for pegging greenhouse gas emissions to economic growth has been done.
Legally binding emission reduction targets and timetables.	---	---	---	GOM will probably consider the soon-to-be-published Mexican National Action Plan as a possible basis for a binding commitment. (Carabias-Loy meeting --3/1/99).
<b>Sub-total: Number of policy steps achieved</b>	7			
<b>Total policy steps achieved</b>			7	

**Indicator 2:  
requirements of the UNFCCC**

**Increased capacity to meet**

This indicator measures categories in which capacity is strengthened through training/technical assistance. Please report on each category addressed with USAID support or as a result of USAID efforts. Please check whether capacity is strengthened through training, technical assistance or both, and list the activity(ies) that contribute to each of the capacity building categories. Please report on other areas not listed, if appropriate.

<b>Country: Mexico</b>  <b>Categories</b>	<b>Types of Support Provided</b>		<b>List the Activity(ies) that Contribute to Each Capacity Building Category</b>
	<b>Training</b>	<b>Technical Assistance</b>	
Monitoring and verifying GHG emissions	--	--	
Growth baselines for pegging GHG emissions to economic growth	--	--	
Development of emissions reduction targets and timetables	--	--	
Support for activities implemented jointly	--	1	USAID/Mexico and DOE-Sandia Nat. Labs. are providing T.A. to Arizona Public Service for the implementation of the Renewable Energy Mini-Grid Project in Baja California Sur, which will be inaugurated in late April, 1999.
Other	--	1	USAID/Mexico is providing T.A. to the Mexico City Government through a comprehensive GCC project in the Tlalpan district, including demonstration forestry, energy efficiency, pollution prevention, renewable energy and environmental management systems.
<b>Total number of points for training/technical assistance</b>	--	2	

## **RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR**

**Indicator 1: Area where USAID has initiated interventions to maintain or increase carbon stocks or reduce their rate of loss.**

In order to capture the full scope of USAID land use activities, please report on areas where USAID activities are making progress in protecting carbon stocks through preliminary interventions (on-the-ground carbon impacts may or may not have been realized). "Progress" is defined as activities which include one or more of the following:

- resource or land management plans developed
- community or household participation engaged in program implementation
- resource management initiated
- monitoring and evaluation system in place
- site-specific policy constraints being addressed (as opposed to national policy work captured under indicator 4).

Unit: Hectares

**Indicator 2: Area where USAID has achieved on-the-ground impacts to preserve, increase, or reduce the rate of loss of carbon stocks**

This indicator captures a subset of the area reported under Indicator 1. Please report only on areas where carbon impacts have been achieved. Measurement and monitoring of biomass or carbon are not required for this indicator. Please provide a brief (two sentence) justification for including the area in this category to have available if requested during an audit (e.g., for 2a - a partner's assessment that an area has met rigorous criteria for protection, or documentation of the stabilization of forest area; for 2b - a partner's report documenting an area that has been converted from degraded agricultural land into a functional agroforestry plot).

**2a. Area of natural ecosystems where carbon stocks are preserved and/or increasing** (areas with *minimal or no* harvest of biomass). Areas included under this indicator are those without significant harvest of biomass. This includes protected areas, areas used for the extraction of non-timber forest products, and community managed forests with minimal timber extraction. Please report the number of hectares for areas where on-the-ground impacts have been realized and documented or where improved management techniques have been comprehensively adopted.

Unit: Hectares in each habitat type.

**2b. Area of managed forest, rangeland, and agricultural lands with reduced rate of loss of carbon or increased carbon stock** (areas with *moderate or high levels* of harvest of biomass). Please report hectares where reduced rates of carbon emissions or increased carbon stock are apparent (e.g., through an increase in standing biomass, decrease in decomposition or fire risk, etc). See Definitions of Terms (page 7) for a description of these categories. Please report under the following categories:

- sustainable forest management for timber using reduced impact harvesting
- agroforestry
- reforestation/afforestation
- sustainable agriculture.

Unit: Hectares in each land use category and by habitat type

## **Definition of Terms**

### **Land use/forest management, global climate change indicators**

#### **INDICATOR 2A:**

##### **Conservation of natural ecosystems:**

"Natural areas" include any areas that have not experienced serious degradation or exploitation of biomass. Areas where non-timber forest products are harvested can be counted in this category but not those that are managed for timber. The latter are included in 2b below. The distinction is important as different approaches are employed in estimating carbon for "natural areas" (2a) and "managed areas" (2b). Natural areas include: 1) protected areas; 2) areas where non-timber forest products are extracted if significant biomass is not removed (often managed as community-based forest management areas); 3) any other areas which exclude larger-scale biomass harvest from a management regime including many areas managed by communities and/or indigenous groups.

Include only the hectares where on-the-ground impacts have been documented or comprehensive management has been implemented, e.g., areas of a protected area where deforestation has been halted. It is acceptable to count parts of an area where deforestation or degradation has been stabilized, or additional areas as they achieve management goals and demonstrate that degradation has been halted.

#### **INDICATOR 2B:**

##### **Sustainable forest management for timber, using Reduced Impact Harvesting (RIH)**

A timber management activity will be considered to have a positive impact on carbon (relative to conventional methods) if it employs RIH practices and/or other key criteria. RIH is a package of practices proven to minimize environmental damage and carbon emissions during the logging of natural tropical forest. To be included, an activity must include most of the following practices:

- tree inventorying, marking and mapping
- careful planning and marking of skidder trails
- vine cutting prior to harvest, where appropriate
- directional felling of trees
- appropriate skidding techniques that employ winching and best available equipment (rubber tired skidder/animal traction) to minimize soil damage
- proper road and log deck construction
- a trained work force and implementation of proper safety practices
- fire mitigation techniques (fire breaks)
- existence of a long-term management plan.

Report on the area where government, industry or community organizations are carrying out forest management for commercial timber using the techniques above, or forest management areas that have been "certified" as environmentally sound by a recognized independent party. Only the area where sound planning and harvesting is being currently practiced should be included (not the whole concession or forest).

**Agroforestry:** The term "agroforestry" covers a wide variety of land-use systems combining tree, crop and/or animals on the same land. Two characteristics distinguish agroforestry from other land uses: 1) it involves the deliberate growing of woody perennial on the same unit of land as agricultural crops and/or animals either spatially or sequentially, and 2) there is significant interaction between woody and non-woody components, either ecological or economical. For our purposes, to be counted, at least 15% of the system must be trees or woody perennials grown for a specific function (shade, fuel, fodder, windbreak).

Include area of land under an agroforestry system in which a positive carbon benefit is apparent (i.e., through the increase in biomass, litter or soil organic matter). Do not include agroforestry systems that are being established on forestlands that were deforested since 1990

**Reforestation/Afforestation** The act of planting trees on deforested or degraded land previously under forest (reforestation) or on land that has not previously been under forest according to historical records (afforestation). This would include reforestation on slopes for watershed protection mangrove reforestation or reforestation to protect coastal areas; commercial plantations and community tree planting on a significant scale, and/or the introduction of trees in non-forested areas for ecological or economic purposes.

Include area under reforestation or afforestation (i.e., plantation forests and/or community woodlots). Do not include natural forested areas which have been recently deforested for the purpose of planting trees. Do not include tree planting in agroforestry systems (include this under agroforestry).

**Sustainable Agriculture** Agricultural systems that increase or maintain carbon in their soil and biomass through time by employing certain proven cultural practices known to reduce carbon transport or emission. This will require consideration of soil, water and nutrient/crop management. For reporting purposes, sustainable agriculture systems are those that employ or promote at least three of the following:

- no-tillage or reduced tillage
- erosion control/soil conservation techniques, especially on hillsides
- perennial crops in the system
- higher crop yields through better nitrogen and soil management
- long-term rotations with legumes
- the use of organic mulches, crop residues and other organic inputs into the soil
- better management of agrochemicals, by stressing careful fertilizer management that will increase yields while minimizing the use of petro-based agrochemicals which increase emissions.

Include area under sustainable agriculture as defined by the criteria above. Do not include agricultural systems that are being established on lands deforested since 1990.



**FY 98 USAID-Sponsored Activities that Contribute to Climate Change Initiative**

USAID activity name	Location			The Site and USAID's Involvement						Additional info you have  (chose from the info codes below)
	Country	Region, Province, or State	Site	Principle activity(ies)  (list 1 per line using the activity codes below)	Area where USAID has initiated activities (hectares)  (Indicator 1)	Area where USAID has conserved carbon (hectares)  (Indicator 2)				
						Predominate vegetation type  (1 per line; use vegetation codes below)	Natural ecosystems (2a)	Predominate managed land type  (1 per line; use managed land types below)	Managed lands (2b)	
Debt-for-nature Selva lacandona Program (with CI)	Mexico	Selva Lacandona Chiapas	Montes Azules Biosphere Reserve	1	800,000	i				1,2,3,4,5
				2	26,120	i				
				5	248	i				
Sea of Cortez Program (with CI)	Mexico	Baja California and Sonora	Upper Gulf Reserve	1	164,779	k,l,m				
Integrative Costal Management Program , URI	Mexico	Qunitana Roo	Xcalak	1	1500	l				
				1	1500	m				

Parks in Peril	Mexico	Chiapas	El Ocote	1	48,800					
		Chiapas	El Triunfo Reserve/ La Sepultura Conserv. Zone	1	119,177					
		Campeche	Calakmul	1	723,185					
		Quintana Roo	Sian Ka'an Bioserve	1	528,148					
		Yucatan	Rio Lagartos/ Ria Celestun	1	114,450					
		Chiapas	La Encrucijada Biosphere Reserve	1	134,770					
WWF project, Los Chimalapas	Mexico	Chiapas	San Miguel Chimalapas	1	150,000					
			Santa Maria Chimalapas	1	450,000					

### ***Instructions for Table for Compiling Land Use Data***

For each site where USAID has initiated activities, pick 1 to 3 primary activity codes (from the list below) which best describe your program. *If more than one activity code applies to a site, please use a separate row to describe each activity.* For example, a USAID program could include a component to improve the internal management of a strictly protected area and also a sustainable agricultural component in the buffer zone, as illustrated in the example above.

To ensure our information is complete, please fill in all the boxes that apply. We understand that some of the quantitative information you provide may be estimates based on your best judgement.

#### **Codes for USAID-Supported Activities:**

- 1 Conservation of natural ecosystems (may include protected area management, extraction of non-timber products, etc. but *not* timber harvesting)
- 2 Sustainable forest management for timber using reduced-impact harvesting  
(non-timber forest products may also be harvested)
- 3 Afforestation/reforestation/plantation forests
- 4 Agroforestry
- 5 Sustainable agriculture

#### **Vegetation Codes:**

##### *Natural Ecosystems*

- a Tropical evergreen forest
- b Tropical seasonal forest
- c Temperate evergreen forest
- d Temperate deciduous forest
- e Boreal forest
- f Temperate woodland
- g Tropical open forest/woodland
- h Tropical grassland and pasture
- i Temperate grassland and pasture
- j Tundra and alpine meadow
- k Desert scrub
- l Swamp and marsh
- m Coastal mangrove
- n Wetlands

##### *Managed Land Types*

- 1 Agricultural systems - (less than 15 % of the area under trees)
- 2 Agroforestry systems - (greater than 15 % of the area under trees)
- 3 Plantation forests - (at least 80% of the area under planted trees)
- 4 Protected areas

#### **Codes for Available Additional Information:**

- 1 Maps
- 2 Geo-referenced site coordinates
- 3 Biomass inventory
- 4 Rainfall data
- 5 Soil type data

**Indicator 3: National/sub-national policy advances in the land use/forestry sector that contribute to the preservation or increase of carbon stocks and sinks, and to the avoidance of greenhouse gas emissions**

Instructions: Please report on each policy measure addressed with USAID support or as a result of USAID efforts. Check the policy steps (1, 2 and/or 3) **that have been achieved** for each policy measure and list the activity(ies) that contribute to achievement of the policy steps in the last column. Please report on other activities or policy measures not listed, if appropriate.

Unit: Number of policy steps achieved

Country: Mexico Activity or Policy Measure	Scope (N or S)	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
		Step 1: Policy Preparation and Preparation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Facilitates improved land use planning	S	1			Reserva de la Biosfera Montes Azules (RBMA) Land use Planning
	N	1			Land use planning program (Ordenamiento Ecológico). Secondary codes: u,x,y
Facilitates sustainable forest management	N	1	1		Forestry law-ELI/CEMA supported. Secondary codes: t,x,y
	N	1			National Forestry Plan. Secondary codes: t,x,y
	N	1			Forestry National Program. Secondary codes: t,x,y
	S	1			Forestry Pilot Plan. Secondary codes: t,x,y
Facilitates establishment and conservation of protected areas	N	1	1		National Environmental Plan. Secondary codes: t,w,z
	N	1	1		National Protected Areas Program. Secondary codes: t,x,z
	S	1			RBMA Updating of management Plan (Montes Azules Biosphere Reserve). Secondary codes: t,x,z

	S	1	1		RBAGDRC Management Plan (Upper Gulf of California Reserve). Secondary codes: t,w,z
	S	1			Designation of Xcalak National Park, G/ENV-URI/CRC supported. Secondary codes: w
Improves integrated coastal management	S	1			Xcalak Community Strategy, G/ENV supported. Secondary codes: v,t
Decreases agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management	N	1			Fires Program—initiating development of several policies.
Corrects protective trade policies that devalue forest resources	N	1R			WWF-NAFTA study completed to identify policy directions
Clarifies and improves land and resource tenure	S	1	1	1	Campesino management recognized under the Chimalapas Project (BSP/WWF ongoing)
Other					
Number of points achieved per policy step		15	5	1	
Total policy steps			21		

### ***Instructions for Data Collection Table: policy matrix***

These indicators are being used to help USAID convey the climate change-related impact of policy efforts. In the land use/forestry area, this indicator focuses on policies that are intended to improve carbon stocks either directly by protecting land or improving its management, or indirectly by creating economic incentives for better land use practices and trends. Because development and implementation of a policy is a process that can take many years, the policy indicator is indexed to record progress in this continuum.

**Policy Categories:** Please choose the policy category below which most closely describes your policy intervention.

- facilitates improved land use planning
- facilitates sustainable forest management
- facilitates establishment and conservation of protected areas
- improves integrated coastal management
- decreases agricultural subsidies or other perverse fiscal incentives which hinder sustainable forest management
- corrects protective trade policies which devalue forest resources
- clarifies and improves land and resource tenure

**Scope:**

- S Subnational - policies that affect a tribal nation, province, state or region that are neither national nor site specific in impact.
- N National - policies that influence issues on a countrywide level.

**Policy Steps:**

1. Policy preparation and presentation: Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in appropriate legislative, regulatory, or governmental body.
2. Adoption: Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of the voting on a law, the issuance of a decree, etc.
3. Implementation and enforcement: Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

**Indicator 4: Dollars leveraged through agreements with USAID donor partners (forestry and land use sectors)**

Instructions: In the first column, list all relevant activities or projects. In the right-hand columns, note the amount of 1997 dollars that are directly and indirectly leveraged by USAID for activities that contribute to the preservation or increase of carbon stocks and reduction of greenhouse gas emissions. (See Indicator 4 on page 6 for definitions.)

<b>Activity Description</b>	<b>Source of Leveraged Funds</b>	<b>Direct Leverage (4a)</b>	<b>Indirect Leverage (4b)</b>
Parks in Peril (25% contrib. )	Partners and government	25% match	
Mexican Nature Conservation Fund	Gov. of Mexico	\$561,700	
National Wildfire Prevention and Restoration Program, Co-operative agreement	SEMARNAP	\$25.4 million*	
NWPRProgram (Fire)	Fundo Mexicana	\$6.25 million*	

\*Fundo and Environment Secretariat's agreed level of counterpart funding for fire program to be provided in 1999-2003.

## Indicator 5: Institutional Capacity Strengthened

### 5a: Increased capacity to address global climate change issues

Unit: Number of institutions

<b>Country: Mexico</b> <b>Number of USAID-assisted associations, NGOs or other public and private institutions strengthened to address GCC issues</b>		<b>Name of Associations, NGOs, or other Institutions Strengthened</b>
Number of NGOs	11-direct funding 41-indirect	Conservation International, ECOSOLAR, Environmental Enterprise Assistance Fund, Environmental Law Institute (1 sub), Fondo Mexicano para la Conservacion de la Naturaleza (28 grantees*), Fundeacion Mexicana para la Educacion, Partners of the Americas/Programa du Cuerpos de Conservacion Mexicanos, PRONATURA, Programa de Accion Forestal Tropical, TNC (5 sub), WWF (7 sub)
Number of Private Institutions		
Number of Research/Educational Institutions—public included.	3-direct 23-FMCN grants*	University of Quintana Roo; Universidad Nacional Autonoma de Mexico; University of Rhode Island
Number of Public Institutions (viewed as governmental)	2	Mexican fires Program—SEMARNAP (INE), Secretariat of Agriculture.
<b>Total Number of Institutions Strengthened:</b>	16-direct 64-indirect	

\*Figures compiled from Fondo Mexicano para la Conservacion de la Naturaleza annual report for 1997.



## 5b. Strengthening technical capacity through workshops, research, and/or training activities

This indicator measures categories in which capacity is strengthened through training/technical assistance. Please report on each category addressed with USAID support or as a result of USAID efforts. Please check whether capacity is strengthened through training, technical assistance, or both, and list the activity(ies) that contribute(s) to each of the capacity building categories. Please report on other areas not listed, if appropriate.

Country: Mexico  Category	Types of Support Provided		List the Activity(ies) that Contribute to Each Capacity Building Category
	Training	Technical Assistance	
Advancing improved land use planning	X (4)		Low impact tourism wkshp; ecol. mngmt tools; wshp for Senate Envir. Comm.; ecol. princ of sustainability course.
Advancing sustainable forest management	X (4)	X (1)	Pres. of nursery and reforestation studies; US training on resource mngmt; environm. impact law training; restoration of burns wksp. Tech support for fires.
Advancing establishment and conservation of protected areas	X (3)		Ecotourism in PA conf.; econ. aspects of biodi. Sem.; PA mngmt in US.
Advancing integrated coastal management	X (1)		Coastal Mgmt in US.
Advancing decreases in agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management			
Advancing the correction of protective trade policies that devalue forest resources			
Advancing the clarification and improvement of land and resource tenure			
Other	X (1)		GHG Eval., in US.
<b>Number of categories where training and technical assistance has been provided:</b>	<b>5 (13)</b>	<b>1 (1)</b>	

Note: Training figures derived from records of the Global Training for Development FY98. Figure do not reflect extensive training activities ongoing under the Parks in Peril and costal management programs since numbers of training sessions is not tracked by these programs.

### RESULT 3: DECREASED NET GREENHOUSE GAS EMISSIONS FROM THE ENERGY SECTOR, INDUSTRY AND URBAN AREAS

#### Indicator 1: Emissions of CO<sub>2</sub> equivalents avoided

Instructions: For each activity contributing to this indicator, write a brief description of the activity in the first column, and write the result in whichever of the three reporting columns that corresponds to this activity. (For example, for a renewable energy activity, put the MW-h of renewable energy produced in electricity generation in column two (1a) or the BTUs of renewable energy produced in thermal combustion in column three (1a). Then put the fuel type replaced in column four (1a).) USAID/W will make the appropriate conversion into metric tonnes of CO<sub>2</sub> equivalents avoided.

Country: Mexico  Activities:	1a. CO <sub>2</sub> emissions avoided through renewable energy activities			1b. CO <sub>2</sub> emissions avoided through end use energy efficiency improvements			1c. CO <sub>2</sub> emissions avoided through energy efficiency improvements in generation, transmission, and distribution (including new production capacity)		
	MW-h produced in electricity generation	Btus produced in thermal combustion	Fuel Type replaced <sup>1</sup>	MW-h saved	Btus saved in thermal combustion	Fuel Type saved <sup>1</sup>	MW-h saved	Btus saved in thermal combustion	Fuel Type saved <sup>2</sup>
Mexico Renewable Energy Program	1,678.06		60% Fuel-oil 11% Nat. Gas 29% Hidro						
Steam and Combustion Efficiency Pilot Project					6,278,822.00 MMBTU				
Sustainable Cities Monterrey				4,522.40		Natural Gas			
Chemical Sector (Industrial Retrofit)				94.97		525,643 M <sup>3</sup> Natural Gas 47,647 Lt. Fuel-oil 207.74 M <sup>3</sup> Diesel			

<sup>1</sup> Provide fuel type replaced/saved if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

<sup>2</sup> Provide site-specific fuel type information if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

**Indicator 1: Emissions of CO<sub>2</sub> equivalents avoided (continued)**

Instructions: For each activity contributing to this indicator, write a brief description of the activity in the first column, and write the result in whichever of the three reporting columns that corresponds to this activity. (For example, for a fuel switching activity, put the MW-h of renewable energy produced in column two (1a) or the BTUs of renewable energy produced in thermal combustion in column three (1a). Then put the fuel type replaced in column four (1a). If the activity captured methane from a landfill, put the tonnes of methane captured in column six (1e).) USAID/W will make the appropriate conversion into metric tonnes of CO<sub>2</sub> equivalents avoided.

Country: Mexico	1d. CO <sub>2</sub> emissions avoided as a result of switching to cleaner fossil fuels (including new production capacity)				1e. Tonnes of methane captured from solid waste, coal mining, sewage	1f. Tonnes of nitrous oxide emissions avoided through improved agriculture
	MW-h produced in electricity generation	BTUs produced in thermal combustion	Old Fuel Type	New Fuel Type		
Activities:						
NONE	---	---	---	---	---	---

<sup>1</sup> Provide fuel type replaced/saved if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

<sup>2</sup> Provide site-specific fuel type information if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

**Indicator 2: Decreased CO<sub>2</sub> emitted per MW-h of energy produced**

Instructions: If these data are available for your country, please enter the total amount of energy produced by the country (MW-h) and the corresponding amount of carbon dioxide emitted (metric tonnes).

Country: \_\_\_\_\_Mexico\_\_\_\_\_

MW-h of energy produced: \_\_\_\_\_~167,991\_\_\_\_\_

Corresponding metric tonnes of CO<sub>2</sub> emitted: \_\_\_\_\_

**Indicator 3: National/sub-national policy advances in the energy sector, industry and urban areas that contribute to the avoidance of greenhouse gas emissions.**

Instructions: Please report on each policy measure addressed with USAID support or as a result of USAID efforts. Check the policy steps (1, 2 and/or 3) **that have been achieved** for each policy measure and list the activity(ies) that contribute to achievement of the policy steps in the last column. Please report on other activities or policy measures not listed, if appropriate.

Unit: Number of policy steps achieved

Country: <b>Mexico</b>  <b>Activity or Policy Measure</b>	<b>Scope (N or S)</b>	<b>Check Steps that Have Been Achieved</b>			<b>List Activity(ies) Contributing to Each Policy Category</b>
		<b>Step 1: Policy Preparation and Presentation</b>	<b>Step 2: Policy Adoption</b>	<b>Step 3: Implementation and Enforcement</b>	
Facilitates improved demand side management or integrated resource planning	N	1	1	1	USAID/Mexico supported a preliminary analysis of DSM in the industrial sector in Mexico, which was used as basis for implementing DSM pilot projects and the National CFE-FIDE Incentive Program.
		1	1	--	Feasibility Study of the ILUMEX Project
Facilitates competitive energy markets that promote market-based energy prices, decreased fossil fuel subsidies, or allow open access to independent providers	N	1	1	1	USAID did the Energy and Environmental Market Conditions in Mexico study which was used as basis for launching DSM pilot projects.
	N	1	1	--	The Study on Legal and Regulatory Factors Affecting Cross-Border Trade in Electricity Between Mexico and US, helped to open access to built power interconnections between the two countries.
Facilitates the installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes	N	1	1	--	USAID/Mexico have provided T.A. to FIDE and CONAE to design, develop and implement the High Efficiency Motor Pilot Project, the Electric Motor Rewind Pilot Project, the Steam and Combustion Efficiency Pilot Project and other EE

Country: <b>Mexico</b>  <b>Activity or Policy Measure</b>	<b>Scope (N or S)</b>	<b>Check Steps that Have Been Achieved</b>			<b>List Activity(ies) Contributing to Each Policy Category</b>
		<b>Step 1: Policy Preparation and Presentation</b>	<b>Step 2: Policy Adoption</b>	<b>Step 3: Implementati on and Enforcement</b>	
					methodologies/technologies
Facilitates the use of renewable energy technologies	N	1	1	--	Since 1993, USAID/Mexico and DOE are working to develop sustainable markets in Mexico for rural productive-use applications of renewable energy technologies. Approximately 200 renewable energy systems have been installed in 10 Mexican states, totaling approximately 100 kW. Since FY 1994 to FY 1998, 5,697.46 metric tons of CO2 have been averted through the installation of renewable energy projects in México
Facilitates the use of cleaner fossil fuels (cleaner coal or natural gas)	S	1	1	--	USAID retrofited unit 3 of CFE fuel-oil-based Manzanillo plant, installing the REACH technology. CFE decide to adopt/replicate this technology in other units and possibly other plants
Facilitates the introduction of cleaner modes of transportation and efficient transportation systems	None	None	None	None	
Promotes the use of cogeneration					
Other					
<b>Sub-total: Number of points achieved per policy step</b>		7	7	2	
<b>Total policy steps 16</b>					

### Instructions for Data Collection Table: policy matrix:

These indicators are being used to help convey the climate change-related impact of USAID's work to promote policy reform. In the areas of energy, industry and urban development, the indicator focuses on policies that lead to increased energy efficiency and the use of renewable energy and cleaner fuel technologies. Policies listed should affect at least the community or municipal level, but policies that are national in scope should also be included. To reflect the fact that the development and implementation of a policy can take many years, the policy indicator is indexed to record incremental progress

**Policy Categories:** Please choose among the policy categories below the one that most closely describes your policy interventions.

- facilitates improved demand side management or integrated resource planning
- facilitates competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers
- facilitates the installation of energy efficient or other greenhouse gas reducing technologies
- facilitates the use of renewable energy technologies
- facilitates the use of cleaner fossil fuels (cleaner coal technologies or natural gas)
- facilitates the introduction of cleaner modes of transportation and efficient transportation systems
- promotes the use of cogeneration.

### **Scope:**

- S      Subnational - policies that affect a municipality, province, state, or region  
N      National - policies that influence issues on a countrywide level.

### **Policy Steps:**

1. Policy preparation and presentation: Draft bill, policy or regulation, vetted through relevant stakeholders in government, non-government, the private sector and civil society, and introduced for debate in the appropriate legislative, regulatory, or governmental body.
2. Adoption: Policy intervention is approved and adopted by the appropriate administrative agency or legislative body. Can take the form of voting on a law, the issuance of a decree, etc.
3. Implementation and enforcement: Actions that put the policy interventions into effect, such as agency personnel trained in procedures, appropriate institutions created or strengthened, or legislation implemented through the appropriate government agency.

**Indicator 4: Strategies/audits that contribute to the avoidance of greenhouse gas emissions**

Instructions: In the first column describe the activity (e.g. "industrial pollution prevention and energy efficiency auditing in metal finishing"). In the second column, give the number of industrial firms/municipalities that have undertaken audits or developed greenhouse gas reduction strategies. In the third column provide the number of industrial firms or municipalities that have implemented the strategies or audit results.

Units: Number of strategies/audits

<b>Country: Mexico</b> <b>Activity:</b>	<b>Number of audits or strategies completed</b>	<b>Number imple- mented</b>
High Efficiency Motor Pilot Project	20	19
Rewinding Motor Program	6	6
Steam and Combustion Efficiency Pilot Project	37	35
Metal Finishing Sector Demonstration Project	6	5
Foundry Sector Demonstration Project	7	7
Sustainable Cities Monterrey	6	6
<b>Total</b>	82	78



**Indicator 5: Dollars leveraged through agreements with USAID donor partners (energy, industry and urban sectors)**

Instructions: In the first column, list the activities or projects taking place. In the right-hand columns, note the amount of 1997 dollars that are directly and indirectly leveraged by USAID. (See Indicator 6 on page 15 for definitions).

Units: 1997 dollars

<b>Country: Mexico</b>		<b>Direct Leverage (5a)</b>	<b>Indirect Leverage (5b)</b>
<b>Activity Description</b>	<b>Source of Leveraged Funds</b>		
High Efficiency Motor Pilot Project	USAID/Mexico	150,000 FIDE	46 million Dls from CFE and IDB
Mexico Renewable Energy Program	USAID/Mexico and DOE	100,000 FIRCO	16 million Dls from World Bank-GEF
<b>Total</b>		250,000 FIDE and FIRCO	62 million Dls from CFE, IDB, World Bank-GEF

**Indicator 6: Institutional Capacity Strengthened**

**6a: Increased capacity to address global climate change issues**

Unit: Number of institutions

<b>Country: Mexico</b>		<b>Name of Associations,NGOs, or other Institutions Strengthened</b>
<b>Number of USAID-assisted associations,NGOs or other public and private institutions strengthened to address GCC issues</b>		
Number of NGOs	3	Centro Mexicano para la Producción más Limpia (CMPL), Asociación de Técnicos Profesionistas en Aplicaciones Energéticas (ATPAE), Asociación Nacional de Energía Solar (ANES)
Number of Private Institutions	1	Fideicomiso de Ahorro de Energía Eléctrica (FIDE)
Number of Researc/Educational Institutions	3	Instituto de Investigaciones Electricas (IIE), Instituto de Ingeniería de la UNAM, Centro de Investigaciones en Energía (CIE)
Number of Public Institutions	2	Comisión nacional para el Ahorro de Energía (CONAE), Fideicomiso de Riesgo Compratido (FIRCO)
<b>Total Number of Institutions Strengthened:</b>	9	

## 6b. Strengthening technical capacity through workshops, research, and/or training activities

This indicator measures categories in which capacity is strengthened through training/technical assistance. Please report on each category addressed with USAID support or as a result of USAID efforts. Please check whether capacity is strengthened through training, technical assistance, or both, and list the activity(ies) that contribute(s) to each of the capacity building categories. Please report on other areas not listed, if appropriate.

Country: <b>Mexico</b>  <b>Category</b>	<b>Types of Support Provided</b>		<b>List the Activity(ies) that Contribute to Each Capacity Building Category</b>
	<b>Training</b>	<b>Technical Assistance</b>	
Improved demand side management or integrated resource planning	--  --	1  1	USAID/Mexico supported a preliminary analysis of DSM in the industrial sector in Mexico, which was used as basis for implementing DSM pilot projects and the National CFE-FIDE Incentive Program.  Feasibility Study of the ILUMEX Project
Competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	--  --	1  1	USAID did the Energy and Environmental Market Conditions in Mexico study which was used as basis for launching DSM pilot projects.  The Study on Legal and Regulatory Factors Affecting Cross-Border Trade in Electricity Between Mexico and US, helped to open access to built power interconnections between the two countries.
Installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes	1	1	USAID/Mexico have provided T.A. to FIDE and CONAE to design, develop and implement the High Efficiency Motor Pilot Project, the Electric Motor Rewind Pilot Project, the Steam and Combustion Efficiency Pilot Project and other EE methodologies/technologies
Use of renewable energy technologies	1	1	Since 1993, USAID/Mexico and DOE are working to develop sustainable markets in Mexico for rural productive-use applications of renewable energy technologies. Approximately 200 renewable energy systems have been installed in 10 Mexican states, totaling approximately 100 kW. Since FY 1994 to FY 1998, 5,697.46 metric tons of CO2 have been averted through the installation of renewable energy projects in México
Use of cleaner fossil fuels (cleaner coal or natural gas)	--	1	USAID retrofitted unit 3 of CFE fuel-oil- based Manzanillo plant, installing the REACH technology. CFE decide to adopt/replicate this technology in other units and possibly other plants
Introduction of cleaner modes of transportation and efficient transportation systems			

Country: <b>Mexico</b>  <b>Category</b>	<b>Types of Support Provided</b>		<b>List the Activity(ies) that Contribute to Each Capacity Building Category</b>
	<b>Training</b>	<b>Technical Assistance</b>	
Use of cogeneration			
Other			
<b>Number of categories where training and technical assistance has been provided:</b>	2	7	

## **RESULT 4: REDUCED VULNERABILITY TO THE THREATS POSED BY CLIMATE CHANGE**

The preliminary indicators to monitor USAID programs that reduce vulnerability to the threats posed by climate change do not measure performance. Rather, they are created to identify Agency programs that are reducing vulnerability to climate change (even if they were not conceived of as climate change programs) in several key areas: coastal zone management; disaster preparedness; agriculture and food security; and biodiversity and forestry. [DATA TO REPORT ON THESE INDICATORS WILL BE COLLECTED BY USAID/W IN THE FY 1998 REPORTING CYCLE. THEY ARE INCLUDED HERE FOR YOUR REVIEW.]

We recognize that there will be some overlap. That is, some activities will fall into more than one category. Please include each activity in only one place and include a reference to other relevant categories in your brief description.

### **Key Area**

- (i) **Coastal Zones** - Number of programs that are reducing the vulnerability of coastal populations, infrastructure, habitats and living resources to accelerated sea level rise or other environmental changes associated with climate change (e.g., water availability, resource availability, temperature)
- (ii) **Emergency Preparedness**- Number of programs that are increasing ability to cope with and minimize the damage from natural disasters (e.g., drought, famine, disease outbreaks) through surveillance, early warning, emergency preparedness, capacity building, etc.
- (iii) **Agriculture and Food Security**- Number of programs that are increasing adaptability and resilience of agriculture and food systems to changes in temperature, water availability, pest and pathogen presence or prevalence, soil moisture and other changes in environmental parameters (e.g., crop diversification, water conservation and delivery, flexible market and trade systems).
- (iv) **Biodiversity/Natural Resources**- Number of programs that are increasing the adaptability of natural ecosystems and levels of biodiversity to changes in temperature, water availability, pest and pathogen presence or prevalence, soil moisture and other changes in environmental parameters (e.g., establishment of biological corridors, habitat conservation, preservation of ex situ germplasm).
- (v) **Human Health and Nutrition**- Number of programs that are reducing vulnerability to climate change through improved access to and quality of health services, vector control, nutrition and environmental health interventions.

**Indicator: USAID Programs that Reduce Vulnerability to Climate Change**

<b>Key Area (i, ii, iii, iv, v)</b>	<b>Country</b>	<b>Strategic Objective (Name and Number)</b>	<b>Budget</b>	<b>Duration</b>	<b>Type of Prgm (see list below)</b>	<b>Description</b>

**Codes for Tracking and Recording Programs**

<b><u>Key Areas</u></b> <b>i. Coastal Zone</b>	<b><u>Program Types</u></b> <b>1. Urban/Infrastructure</b> <b>2. Natural Resource</b>
<b>ii. Disaster Preparation Relief</b>	<b>1. Early Warning System</b> <b>2. Humanitarian Response</b> <b>3. Capacity Building</b>
<b>iii. Agriculture &amp; Food Security</b>	<b>1. Research and Development</b> <b>2. Policy Reform</b> <b>3. Extension/Demonstration</b>
<b>iv. Biodiversity &amp; Forestry</b>	<b>1. Preservation of Biodiversity</b> <b>2. Forest Conservation</b>
<b>v. Human Health and Nutrition</b>	<b>1. Improved Quality of Health Services</b> <b>2. Vector Control</b> <b>3. Improved Nutrition</b>

**Supplemental Information Annex D**  
**USAID/Mexico Response to the USAID/Mexico FY 1999-2003**  
**Strategic Plan and FY 1997-2000 R4 Review Management Contract**

Conclusions of technical reviews of USAID/Mexico's objectives:

A. Population: Overall performance rating "exceeded."

- Commitment: none.
- Changes/status: none.

B. Environment: Overall performance rating "met."

- Commitment: "In response to findings of an IG audit of the Mission's performance measurement and reporting, the Mission will assure that performance data will be both within its manageable interest to collect and easily verifiable."
- Changes/status: See F. Issues on environment and energy SOs.

C. Democracy: Overall performance rating "met."

- Commitment: none.
- Changes/status: none.

D. HIV/AIDS: Overall performance rating "met."

- Commitment: none.
- Changes/status: none.

Issues resolved at the DAEC review:

A. OE and Workforce

The OE and Workforce issues are dealt with in Section III of the R4, Resource Request.

B. Fires

- Commitment: "The AA/LAC asked the Mission to finalize its funding plan and present it to the LAC Bureau, identifying any funding gaps."
- Changes/status: The Mission did this and negotiated counterpart contributions from both the FMCN and GOM/SEMARNAP. The total agreement budget also included an estimated \$1.5 Million USD contribution from G/ENV. With G Bureau budgetary cutbacks it is now unlikely that the full \$1.5 Million commitment will be met. G/ENV is now in the process of supporting an expert technical workshop and likely a follow-on international conference on fire prevention and slash-and-burn agriculture. The estimated cost of these activities is approximately \$500,000. Further support in FY 2000 and FY 2001 apparently still needs to be assured to fulfill USAID's commitment.

C. Population

- Commitment: "During the extension period, the Mission will pursue activities supporting only the quality IR, adding new indicators of impact." Also, "The technical team recommends that USAID/Mexico report in next year's R4 on all existing SO indicators for demand and

sustainability; all new indicators under the quality IR; and the SO indicator (real or proxy, depending on the availability of data).”

- Changes/status: USAID/Mexico reported on all existing sustainability and demand indicators, and a proxy SO indicator. Regarding the quality indicators, since: this year’s R4 is for reporting on FY 1998; the public sector review was carried out in August 1998, and the report published in October 1998 (the end of the R4 reporting period); the public sector program is closing on March 31, 1999; and, no additional quality surveys or reviews will be done prior to close-out given extraordinary workloads involved in closing out the program; USAID/Mexico is using selected quality indicators from the August review to report on quality in this R4. USAID/Mexico is reporting on the close-out in this R4 as well, describing the activities related to quality of care carried out in the extension period. This is congruent with the Management Contract, which states that USAID/Mexico will report on the quality, use and sustainability indicators for the public sector in this R4, and only on the quality IR in the extension period. The change is that no impact indicators on quality will be measured in the October 1998-March 1999 period.
- Commitment: “Private sector results in these IRs will be reported until close-out on September 30, 1998.”
- Changes/status: none-the results of these IRs are in the R4 document.
- Commitment: “The Mission has agreed to submit the new indicators to USAID/W no later than September 30, 1998.”
- Changes/status: none-these indicators were submitted on September 25, 1998.

#### D. Infectious Diseases

- Commitment: “It was recommended that USAID/Mexico identify its resource and support needs for strategy development following emergence of the GOM initiative.”
- Changes/status: USAID/Mexico has secured a design team, led by an internationally recognized TB expert, which will visit Mexico March 14-28. The team will assist the Mission to develop a strategy and action plan in collaboration with the Mexican Secretariat of Health, international health organizations and key US and Mexican NGOs. A Congressional Notification for \$1 million for tuberculosis has been prepared for submission in March 1999.

#### Issues resolved prior to the DAEC review:

##### A. Interdependence of US and Mexico

- Commitment: none.
- Changes/status: none.

##### B. Response to IG audit

- Commitment: “The Mission reported that it plans training for partners in data collection and is considering hiring a local firm for support in this area.”
- Changes/status: See “OE and Staffing Requirements” in the Resource Requirements section.
- Commitment: “It was agreed that USAID/Mexico will work collaboratively with USAID/W to finalize its indicators.”
- Changes/status: See Supplemental Information Annex E: USAID/Mexico Response to March 1998 IG Audit.
- Commitment: “The Mission Performance Monitoring Plan will be presented for review in



Washington no later than next year's R4 submission."

- Changes/status: A Performance Monitoring Plan for HIV/AIDS has been developed with assistance from the G Bureau's MEASURE II project and will be presented this month.

C. Percentage of program costs for monitoring and evaluation

- Commitment: none.
- Changes/status: none.

D. Donor coordination

- Commitment: "The Mission agreed to develop a donor coordination plan, consulting with PPC's donor coordination office, and include it in next year's R4.
- Changes/status: USAID/Mexico has been in contact with PPC's donor coordination office to arrange for a TDY to develop this plan. Meetings have been held in Mexico with most major bilateral and international donors, however, due to the presidential visit, unexpected absence of Mission Director, and other scheduling problems, the PPC TDY to develop a donor cooperation strategy has not yet been developed. The Mission, in coordination with LAC, will continue to work with PPC to find the earliest possible time to develop this strategy.

E. Development hypotheses

- Commitment: "The Mission agreed to rewrite its development hypotheses to correct this."
- Changes/status: Each SO's (except population) development hypothesis was modified. See "The FY 1999- FY 2003 Country Strategy for USAID in Mexico," presented to USAID/Washington in September 1998.

F. Issues on environment and energy SOs

- Commitment: "In the Energy SO results framework, the Mission will insert an IR between the SO and its current IR level..."
- Changes/status: This has been done.
- Commitment: "The Global Bureau and Mission will identify how current G-supported activities support the Mission's energy SO and identify indicators to be used to capture the impact of these activities..."
- Changes/status: This to date has not been fully accomplished. Discussions and planning have been initiated in the "clean energy" subsector, but still require completion. Coordination overall in the GCC technical area is an additional need. With all of the other actions that have been taking place (for example: completion of the Fires Program, the Presidential visit, etc.) the Mission and Global have not had the time to complete these tasks. This is a pressing need that needs to be completed in FY 1999.
- Commitment: "For both the natural resource and energy SOs, adoption of USAID-demonstrated technologies and practices outside target areas and organizations will be reported anecdotally in each R4..."
- Changes/status: this has been agreed to and will be done in a more complete manner starting in next year's R4. Some discussion of adoption and replication effects is included in this year's R4.
- Commitment: "The Mission, G, and LAC will work together to refine indicators of both SOs 1 and 2 at the SO and IR levels to assure that they are within the Mission capability to gather and verify data... During this process, the results framework will be edited to remove several minor

ambiguities...”

- Changes/status: Those modifications suggested in the DAEC have been made. Baselines and targets are being established for the new and modified indicators. More work will be needed in the future to coordinate these changes with G and LAC.
- Commitment: “Indicator 1 should be moved to IR 1.1, and indicator 4 should be dropped.”
- Changes/status: This change was not fully understood by the Mission, but is accepted as logical and reasonable. This year’s R4 reports on both indicators 1 and 4, even though not required. This change will be incorporated and reported on in next year’s R4. This means that the previous Indicator 1 will be moved under the IR 1.1 to become Indicator 3, and the previous Indicator 4 will be dropped entirely. This means that SO1 will have a total of 10 indicators.
- Commitment: “SO1, Indicator 7 ... can be measured through a policy matrix which tracks progress on the specific policies targeted under the natural resource SO, and thus converted to a quantifiable indicator. Indicator 8 ... is a measure of activities rather than a direct measure of impact at the IR level, and should be eliminated.”
- Changes/status: Indicator 8 has been dropped. The policy matrix is still being refined and baselines and targets are being established.
- Commitment: “The Mission will revise the strategy and results framework for SO1 to more clearly document the participatory approach taken by the Mission...”
- Changes/status: completed.

#### G. Adequacy of staff for energy program

- Commitment: “It was agreed by the environment technical team, and later confirmed by the DAEC, that an additional senior program-funded staff person should be added to handle the increase in energy activities. Subsequent to the review, the Mission clarified that this person should also have capability to oversee increased activity in the GCC portfolio as a whole, including biodiversity activities.”
- Changes/status: The GCC specialist position description has been finalized and the Mission expects to complete recruitment by July of 1999.

#### H. Enhanced GCC agenda

- Commitment: “It was requested that the Mission provide USAID/W with a paragraph describing the status of the planned DCA program.”
- Changes/status: Completed. The Mission continues to be enthusiastic about the DCA mechanism and has requested funding. We are awaiting notification of the news that the Agency has been authorized for this program.

#### I. Democracy strategy – general issues

- Commitment: “Small grants to NGOs which are not focused on achieving targets in the three areas will be modified or eliminated.”
- Changes/status: All of USAID/Mexico’s grants that support NGO activities are incorporated into the existing Intermediate Results framework, and are achieving results in the three IR areas.
- Commitment: “If support for the Mexican elections of 2000 is deemed appropriate, a special objective in this area will be proposed”
- Changes/status: An assessment of the electoral climate in the approach to the 2000 presidential race was conducted in February 1999 by Management Systems International (Sheryl Stumbras,

Ben Crosby, Sally Yudelman). The assessment included an identification of the priority needs to improve the legitimacy and fairness of the electoral process and an analysis of opportunities for international assistance in these areas. A copy of this assessment is available for review. State Department is interested in supporting an elections activity that would to increase civil society actions to improve state electoral processes. USAID/Mexico will consider developing such an activity if the ESF funds required become available.

- Commitment: “The AA/LAC urged the mission to continue support for victim’s rights and other human rights groups.”
- Changes/status related to victims’ rights: Victims’ rights and access to justice work continues through the work of the Mexican organization CENAVID (Center for Attention to Victims of Crime). CENAVID achieves results in the areas of victims rights, victims’ aid and justice sector professionalization through its alternative dispute resolution (ADR) programs, which provide mediation services to low income populations at community mediation centers, and trains state judges and public security personnel in mediation and negotiation techniques. CENAVID continues to advocate for the legalization of court annexed mediation/ADR in the state of Jalisco. The human rights work of current USAID/Mexico grantee Citizen’s Movement for Democracy (MCD) continues particularly through the rights education work of MCD carried out throughout the country, and through the organization’s work in information-sharing, forums and other events centered on the Chiapas peace process.
- Commitment: “The AA/LAC also noted that the mission should set benchmarks for reasonable timeframes for GOM replication of elements in USAID’s Strategy.”
- Changes/Status: USAID/Mexico completed its Democracy Strategy Performance Monitoring Plan (including SO and IR indicators, baselines, and targets) in December, 1998 with the assistance of Management Systems International (Sheryl Stumbras, Michelle Guttman). The SO indicators focus on replication by the GOM of the models developed.
- Commitment: “Serious obstacles to democratic development (human rights, corruption, public security, and others) will not be addressed the USAID program.
- Changes/status related to Human Rights: An assessment of the human rights situation in Mexico, including identification of priorities for development in this area, and opportunities/potential for international assistance in this area was conducted in November 1998 by Marc Chernick, through MSI. This report is available for review. USAID/Mexico will continue to increase contact with the human rights community in Mexico over the next year.
- Changes/status related to corruption: In March 1998, Robert Lieken, through G/DG, completed an assessment of the Mexican efforts to fight corruption. His report is included as a case study in the *USAID Handbook for Fighting Corruption*, dated October 1998. Based on the case study, USAID/Mexico’s Democracy SO activities, though not specifically articulated as anti-corruption activities, support anti-corruption objectives to increase transparency in public administration and support to civil society organizations to increase political will for change.
- Changes/status related to public security: USAID/Mexico is addressing issues of public security through its local governance IR (municipal crime prevention and community policing activities) and AOJ IR (improving the court system and judicial professionalization).

#### K. Funding for Democracy Strategy

- Commitments: none
- Changes/status: none

L. Synergies in the democracy program

- Commitment: “The Mission agreed that it will take advantage of opportunities for synergy among the SOs where it is practical and feasible, and can be accomplished without expanding its program.”
- Changes/status: Whether working on environmental conservation, AIDS prevention or improving democratic institutions, the common factor in USAID/Mexico’s mission strategies is a strong civil society. USAID/Mexico’s training and capacity building programs is designed to address the needs of civil society groups working in all of its SOS. The mission will continue to explore opportunities to develop more synergies between CSOs.

M. Lack of data in the democracy program

- Commitment: “The Mission plans to develop a data collection plan for the democracy SO with assistance from technical experts and in collaboration with USAID/W staff, and will provide it to Washington by the end of the calendar year.” “The Mission will also provide a full set of baselines and targets for the democracy objective in next year’s R4.”
- Changes/status: USAID Mexico completed its Democracy Strategy Performance Monitoring Plan (including indicators, baselines, and targets) in December, 1998 with the assistance of Management Systems International (Sheryl Stumbras, Michelle Guttman).

N. Selection of target states in the HIV/AIDS strategy

- Commitment: “The Mission agreed to note which states are included in the program as part of the indicator tables for reporting progress.”
- Changes/status: Target states are listed in each indicator table in the R4.

O. Expenditure of FY 1997 HIV/AIDS field support funds

- Commitment: none.
- Changes/status: none.

P. Concerns about the new HIV/AIDS strategy

- Commitment: “The Mission agreed to incorporate the comments, and refine, resubmit, and finalize the Performance Monitoring Plan before the next R4.”
- Changes/status: The HIV/AIDS Strategic Objective and Intermediate Results have been refined in response to comments from last year’s technical review and the IG audit. Tables with the refined objectives, results and indicators are being submitted with this year’s R4. A complete Performance Monitoring Plan has been developed with assistance from the Measure II project, and will be presented for review in Washington this month.

Q. Lack of information in the R4 narrative regarding the private sector family planning program

- Commitment: “It was agreed that the Mission will provide information in next year’s R4 on results achieved in the private sector, in the narrative under the SO and each IR.
- Changes/status: This information was included in the R4.

R. Additional concerns of PHN team

- Commitment: none.
- Changes/status: none.

## **Supplemental Information Annex E**

### **USAID/Mexico Response to March 1998 IG Audit**

USAID/Mexico's response to the March 1998 IG audit was swift. We immediately used the lessons learned to improve the quality of the R4 submitted last year. That R4, approved by USAID/Washington in June 1998, contained a detailed explanation of steps taken to strengthen all of the indicators and reporting procedures mentioned by the audit team. We believe we were able to sharpen the focus of our indicators, and greatly enhance the reliability of the data reported.

Since USAID/Washington was equally concerned that the audit's findings be addressed, last year's R4 review process included considerable discussion with our colleagues in Washington's LAC and Global Bureaus concerning the corrections made to existing data, and the Mission's future plans for results measurement and reporting across the board. The specific indicators reviewed by the team were in the Environment and Family Planning areas. Most of these indicators will no longer be relevant for future reporting, because of a major shift in emphasis in the environmental area, and because USAID assistance in Family Planning will end on March 31, 1999.

Nonetheless, the basic lessons of the audit will be used by USAID/Mexico in monitoring and reporting on future activities in all sectors, including those that the team did not cover. In response to the proposed audit recommendation, therefore, see below USAID/Mexico's progress over the last year in results measurement and reporting for this year's R4.

Our **Environment** staff has developed an innovative new software program called "Access", which will enable USAID/M to accurately quantify the performance of our array of Mexican partners who are monitoring and reporting on the performance indicators for their specific activities. These measures, in the aggregate, will tell us whether we are producing the Intermediate Results approved by USAID/Washington, which will help us meet the Mission's Strategic Objectives. Refinements and simplifications in our SO1 and SO2 Results Frameworks will help to insure meaningful, reliable, verifiable, and manageable performance indicators. The Environment Office staff has gone to our partners to introduce the measurement concepts and new reporting forms. This will be followed by several rounds of periodic consultations with individual partners, to determine whether they are using this management information system properly, and whether they are taking the necessary steps to insure the reliability of data collected and reported. Refinements will be made in the Environment SOs, and Agency Global Climate Change indicators will be added as needed. If successful, this entirely original program may eventually be adapted to our other sectors.

In accordance with instructions from USAID/Washington, our **Family Planning** program was restructured to focus the remainder of the project on improved quality of care. Some of the indicators reviewed by the team were dropped, because they have been met or are no longer relevant. However, our staff has developed new indicators that will tell us

whether the desired quality of care results and impact have been achieved by the time assistance ends in March. Steps have also been taken to improve the reliability of data collected under the remaining indicators. Both the concept of improved quality of care, and the new rigor of monitoring and reporting have been enthusiastically embraced by our partners.

The Health and Democracy programs were not reviewed in the audit, but we have applied the team's findings to these areas as well. In the June 1998 R4 review, we agreed with our LAC and Global colleagues that the Mission would revise its proposed **Democracy** indicators for greater specificity and reliability. The DG program contracted Management Systems International to design the final Performance Monitoring Plan; this work was carried out in November and December of 1998. Indicators and baseline measurements are complete for all implemented activities.

Our **Health** program has undergone a transition from a small pilot AIDS activity to a national and state-level effort to strengthen AIDS strategic planning and quality of services and information. We are in the process of explaining measurement and data collection requirements to our Mexican counterparts. The illustrative results and indicators provided in the strategic plan were refined for greater objectivity, clarity, and practicality. The Performance Monitoring Plan for the HIV/AIDS activity provides definitions for each element of the indicator and addresses data quality, validity, and schedules for timely data collection. We plan to continue to take advantage of technical assistance from the Global Bureau.

## **Supplemental Information Annex F**

### **Plans for Microenterprise-Economic Growth Strategy**

**SUMMARY:** USAID/Mexico's tentative development hypothesis is that economic opportunity for Mexico's poor and disadvantaged groups depends on the ability of microenterprises to generate significant new employment and income.

USAID/Mexico is designing the rationale and program to support a new Special Objective (SpO) in microenterprise-led economic growth. The Mission wishes to develop a strategy that will stimulate, consolidate and make self-sustaining the grass-roots microenterprise finance movement which already exists in Mexico. The SpO would contribute to USAID/M's other Strategic Objectives, by emphasizing microenterprise activities which lead to self-sustaining natural resource conservation or use of renewable, non-polluting energy resources; or which strengthen local governance.

The Mission is including \$500,000 in its proposed FY 2000 and 2001 budgets to support a new microenterprise strategy. Other funds will come from existing projects in environmental protection and energy conservation, as well as from possible access to a Development Credit Authority (DC), if and when this instrument is approved for USAID use. USAID/Mexico is using a Global Bureau-funded IQC with Chemonics to carry out the analysis and prepare a strategy for Washington approval.

**BACKGROUND:** Mexico's economy grew at 4.8% last year (down from 7.0% the previous year). According to Mexican Government (GOM) statistics, employment is on the rise. Only four years after one of the country's worst currency crises, this appears to be an excellent economic growth picture. What looks impressive at the macro level, however, falls apart under scrutiny at the micro-economic level where most Mexicans struggle for a living.

Inflation could hit over 15% this year. The minority of citizens with salaried incomes and active unions have negotiated wage increases which fall somewhat above that. Most Mexicans, however, will simply have to absorb that increase in the cost of living. Income disparity – already one of the worst ratios of rich to poor in the world – has worsened since 1995. Measures of social well-being, e.g. real wages and purchasing power, continue to deteriorate.

In 1998, the GOM initiated three rounds of spending cuts to bring a budget based on a \$15.50 average oil price into line in the face of a \$10.16 average oil price. Further austerity was built into the 1999 budget, based on an expected average price of \$9.25 for Mexican oil exports. (It only averaged \$8.50 per barrel during the first two months of the year, but currently is close to \$9.80 per barrel.) Even though important social support programs (e.g. tortilla and milk subsidies) already have been eliminated to save money, the national budget will be extremely tight during this calendar year. It is possible that some of USAID's programs will be affected by the loss of counterpart contribution.

Since 1995, a substantial portion of the banking sector's loan portfolios have been non-collectible. The GOM tried to restore confidence in the banks by taking on a significant portion

of their bad debt as public debt, and creating a government-backed deposit insurance system, of sorts. But the foreign capital that sustained the banks prior to 1995 has not returned. The banks, therefore, are extremely shy of cash for lending.

With the public sector strapped for cash, the Mexican Businessmen's Council estimate of \$7 billion in investments during 1999 may stimulate close to 21,000 jobs, as a similar sum did last year, but this is an insufficient investment to stimulate economic growth and the number of necessary jobs. Employment in Mexico suffered severely as a result of the 1995 peso collapse. In spite of the recent upward trend, new entrants to the job market outnumber jobs created. Most of the employment being generated is in the export sector that has little or no linkage with the mainstream economy. The Mexican labor market is growing by an estimated 1 million new, mostly unskilled entrants every year: far more than the current rate of employment growth can absorb. The number of illegal migrants from Mexico to the U.S. doubled last year alone. Mexico now accounts for 80% of all worldwide migration to the US. The rapidly growing flow of Mexicans seeking employment opportunities outside their country does not exactly support GOM claims of a healthy or recovering economy.

The bottom line is that there is a critical shortage of capital for productive investment (even factoring in other donor assistance). Without such investment, neither broad-based economic growth nor employment generation can occur on the scale needed. Roughly one-third of would-be workers currently are forced by lack of jobs into odd jobs and part-time endeavors within the informal economy, which has multiplied many times since the 1995 peso crash. The growth and dynamism of the informal economy suggest that the majority of Mexicans – and most certainly low-income Mexicans – have no choice but to rely on microenterprise to support their families. Thus, the Mission has identified microenterprise as a key to addressing poverty and income disparity in Mexico.

Microenterprise is also an important support for USAID/Mexico's other Strategic Objectives. For example, we have successfully pilot tested a number of models for sustainable land use in protected areas, as well as new technologies for energy efficiency and clean production in manufacturing and electric power production. The urgent need is to make these approaches self-sustaining by making them economically viable. People need alternative sources of income, to enable them to abandon ecologically destructive farming and other practices, for example. In the area of energy (particularly renewable energy sources), low-income people (farmers, micro-entrepreneurs) need capital in order to afford the new technologies which will make them more productive.

**THE OUTLOOK:** Microenterprise in Mexico has demonstrated potential for considerable growth. But the key constraints which must be addressed are: lack of sufficient capital, and ability to make credit readily available to microenterprises on significantly larger scale than at present; lack of adequate management and administration skills both within microenterprises and the institutions (NGO's) which support them; absence of communication and organization which could strengthen microenterprises and their supporting NGOs; and a weak system of regulation for micro-lending organizations.



Illustrative examples of activities already underway include: Mexican NGO ANADEGES which has organized a cooperative bank-type of operation permitting small producer members, using environmentally sound farming methods, to invest their profits in future growth; Mexican NGO AMEXTRA has organized rural women to pool their small capital resources and funded a successful switch to agricultural methods which eliminate destructive "slash and burn" traditions. The new practices protect the environment, while increasing production for subsistence and sales. Mexican family planning NGO FEMAP has branched out into successful community development and microenterprise programs for the very poor (mostly women); Mexican NGO ADMIC is actively working to become an independent source of funding for microenterprises. The Rural Development Foundation has very successful projects in microenterprise, and is looking for capital to expand operations. The State of Guanajuato set up a successful credit union-type organization (called Santa Fe de Guanajuato) through which an estimated 20,000 poor, rural women are receiving very small loans for their microenterprises. Santa Fe is now run as a private operation, and is being looked at by other states and NGOs for replication. In addition, Guanajuato has established an institute (IAFAD) to train microenterprise financing institutions and personnel, in order to insure sustainability of good management practices in micro-enterprise finance. Pro Desarrollo has offered similar training courses, and would like to expand operations. Another organization, COLCAMI, was created with a seed grant from the IDB, to provide training in best practices in micro-enterprise lending throughout the Central and South American region. COLCAMI has offered courses to Mexican NGOs, as well as to micro-enterprise personnel from a number of other countries, through the University of Anahuac in Mexico City; and they have collaborated with the University of Colorado at Boulder on micro-enterprise training. The Iberoamerican University's economics department is widely recognized for its expertise in micro-economics and microenterprise; and was selected to hold a major IDB-financed conference on microenterprise in March 1998.

These are just a sampling of what USAID/Mexico believes is a burgeoning microenterprise movement in Mexico. These are not new initiatives: most represent the fruition of years of investment and nurturing by many organizations.

The microenterprise movement is attracting attention from various sources. The World Bank is considering a small pilot project with poor agricultural producers in a southern state (probably Oaxaca), and has approached USAID about participating, along with several other bilateral donors. The Global Bureau has provided a \$2.5 million IPG grant to ACCION International to work with Mexican NGO COMPARTAMOS, which provides credit for microenterprise in Mexico City. Global Bureau's G/EGAD/MD Office has also received a proposal (which was not accepted) from ACCION for IPG grant funding to strengthen Mexican NGO ADMIC's transition from government-subsidized small business lending to providing microenterprise credit. In addition, BHR Bureau's program to fund grants for institutional strengthening for selected NGOs could be coordinated with microenterprise support. A current example is the proposal which U.S. NGO EDI is putting together with Mexican NGO AMEXTRA for a possible USAID institutional strengthening grant.

The demand is so great, and microenterprises are so pervasive throughout the economy, that these limited initiatives will not be sufficient in themselves to create any appreciable increase in

microenterprise lending. A larger mass of accessible credit is essential to help microenterprises move toward self-sustaining growth. The credit constraint, currently, is being addressed by organizing low income groups (e.g. small agricultural producers; women in selected rural and urban communities) to pool their limited resources in order to create a capital base - along the lines of the Grameen Bank in Bangladesh. Replication of this model on a wide-spread basis may or may not be worth the investment, in terms of increased micro-credit availability. If it is not, another method of addressing the credit constraint could be to open new, or strengthen existing, channels of credit for microenterprise. One possibility would be creating a second-story lending institution which would attract and consolidate capital resources for on-lending to the many small microenterprise lending organizations now springing up. Another key could be finding ways of gaining access to Mexican savings (through the wide array of institutions, e.g. *cajas populares*) which exist. This alternative would require important policy reform by the GOM, to open the way for merging lending and savings operations. Whatever the chosen route (USAID/Mexico's strategy development will explore all of these alternatives), it is essential that the result be a quantum increase in microlending capacity and volume, in order to have a truly viable microenterprise sector.

Management and administration constraints can be addressed through training, or by providing better information to microenterprises and their supporting NGO's. Neither the existing microlending organizations nor their supporting NGO's have much contact with each other. The March 1998 IDB-funded microenterprise conference, reportedly, was very well attended. But there was no follow-up. The organizations need a means of coming together for the purpose of learning from each other, and organizing to effect the policy and other changes they need. One effective way to provide more information might be to organize commodity networks of microenterprises and their supporting organizations. The Mission wants to position itself to take advantage of the DCA credit guarantee when it is authorized.

On the regulatory side, there is considerable fragmentation. The principal players range from the Secretariat of Hacienda to the Central Bank to the individual bankers and their association to the Mexican Congress (the latter is particularly sensitive to banking problems, due to the FOBAPROA issue). Reportedly, it is partly this fragmentation which has caused an impasse in previous efforts to bring about a microlending regulatory system. An entire process of education would be needed to persuade decision-makers to develop a reasonable regulatory system for microenterprise lending, while at the same time allowing the flexibility necessary to blend savings and lending organizations, and/or create a second-tier lending operation. Here, the experience of other countries might be particularly instructive.

We will explore the microfinance sector with help from our Chemonics consultants, to identify the key interventions which would help stimulate a significant increase in credit capital for microenterprise, and determine how USAID might provide such stimulus. The strategy will describe USAID's role in concert with other donors, the GOM, NGO's and the microfinance institutions themselves.